FILED

961295 DEC 30 1996

OFFICE OF THE CLERK

No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,

vs.

CYRK INTERNATIONAL PROSPEROUS ENTERPRISES
(Taiwan Ltd.), EVER WIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,
Respondents.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

Of Counsel
ROBERT J. ROSE
ROSE & BRUTOCAO
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 683-8787

SURJIT P. SONI
Counsel of Record
SHELDON & MAK, INC.
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 796-4000

Attorneys for Petitioner

Lawyers Brief Service • Appellate Brief Printers • (213) 613-1013 • (714) 720-1510

55 pp

QUESTIONS PRESENTED

1. Is a design found by a jury to be inherently distinctive and held to be novel, unique, unusual and even memorable by the Court of Appeals for the Federal Circuit, nevertheless unprotectable as trade dress under the Lanham Act without further proof that the design intrinsically identifies its source?

2. Is evidence of the novelty, uniqueness unusuality and memorability of a design, together with evidence of intentional copying sufficient to support a jury's finding that a trade dress is inherently distinctive?

PARTIES TO PROCEEDING

All parties to the proceeding below are set forth in the caption to the case. Pursuant to Rule 29.1 of the Rules of this Court, Petitioner states that it does not have any non-wholly owned subsidiaries, or any parent corporations.

CYRK International is now called CYRK, Inc.

TABLE OF CONTENTS

Page(s)

QUESTIONS PRESENTED i

PARTIES TO PROCEEDING ii

OPINION BELOW 1

JURISDICTION 2

STATUTORY PROVISION INVOLVED 2

STATEMENT OF THE CASE 2

REASONS FOR GRANTING THE PETITION 9

SUMMARY OF THE ARGUMENT 9

ARGUMENT 11

I. THERE REMAINS A REAL AND EMBARRASSING CONFLICT AT THE COURT OF APPEALS LEVEL OVER THE STANDARD OF EXTENDING PROTECTABILITY TO INHERENTLY DISTINCTIVE TRADE DRESS, DESPITE THIS COURT'S DECISION IN ***TWO PESOS***. 11

A. The Conflict Amongst The Circuits 11

1. The Standards Applied In the Second Circuit 12

2. *The Standards Applied In The Third Circuit* 13

3. *The Standard Applied In The Fourth Circuit* 14

4. *The Standards Applied In The Seventh Circuit* 14

5. *The Standards Applied In The Eighth Circuit* 15

6. *The Standard Applied In The Ninth Circuit* 16

7. *The Standard Applied In The Tenth Circuit* 16

8. *The Standards Applied In the Federal Circuit* 16

9. *The Standards Applied In This Action* 17

B. The Need for Uniform National Standard . . 18

II. PETITION FOR *CERTIORARI* SHOULD BE GRANTED SO THAT THIS COURT MAY EXERCISE ITS SUPERVISORY POWERS TO SET ASIDE THE JUDGMENT OF THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT, WHICH IS REPUGNANT TO THE DECISION OF THIS COURT AND INCONSISTENT WITH THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS. 23

A. The Federal Circuit Has Failed to Follow the Decision of this Court in *Two Pesos*. 24

B. The Federal Circuit Has Failed to Apply Ninth Circuit Law In the Standards for Determining Inherently Distinctive Trade Dress. 24

C. The Federal Circuit Departed From WellEstablished Principles Limiting the Scope of Review Adopted by this Court and Routinely Applied in the Ninth Circuit, Failing to Consider all Evidence of Record and by Substituting its Own Assessment of the Evidence for that Made by the Jury in the Case. 26

CONCLUSION 29

APPENDIX A
JUDGMENT,
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT,
DATED SEPT. 30, 1996 . . . . . A-1

APPENDIX B
OPINION,
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT,
DATED SEPT. 30, 1996 . . . . . B-1

APPENDIX C
JUDGMENT,
UNITED STATES DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
DATED NOV. 17, 1994 ..... C-1

APPENDIX D (Separately Bound and Lodged)
JUDGMENT ON SPECIAL VERDICT
AGAINST CYRK INTERNATIONAL,
ENTERED OCT. 18, 1994 ..... D-1

APPENDIX E
STATUTORY PROVISION INVOLVED
15 U.S.C. § 1125(a),
43(a) OF THE LANHAM ACT E-1

TABLE OF AUTHORITIES

Cases

Page(s)

Abercrombie & Fitch Co. v. Hunting World, Inc.,
537 F.2d 4 (2nd Cir. 1976) 13-16, 19, 21, 24

Black & Decker Corp. v. International Sales and Marketing,
36 U.S.P.Q.2d 1851 (C.D.Cal. 1995) 25

Bonito Boats, Inc. v. Thunder Craft Boats, Inc.
489 U.S. 141, 109 S.Ct. 971, 103 L.Ed. 2d 118 (1989) 9

Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.,
834 F.2d 1142 (2d Cir. 1987) 14

Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126,
102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982) 15, 16, 21

Clinique Laboratories, Inc. v. DEP Corp.,
___ F. Supp. ___, 1996 WL 583395 (S.D.N.Y. 1996) 21

Computer Care v. Service Systems Enterprises, Inc.,
982 F.2d 1063 (7th Cir. 1992) 12, 14

Devan Designs, Inc. v. Palliser Furniture Corp.,
998 F.2d 1008 (4th Cir. 1993)(unpublished;
reported at 1993 WL 243677) 12, 14

Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.,
40 F.3d 1431, 32 U.S.P.Q.2d 1724
(3rd Cir. 1994) 7, 12, 13, 15-17,
19, 21, 22

EFS Marketing, Inc. v. Russ Berrie & Co.,
76 F.3d 487 (2nd Cir. 1996) 12, 13

Ferrari S.p.A. v. McBurnie,
11 U.S.P.Q.2d 1843 (S.D.Cal. 1989) 25

Fuddruckers, Inc. v. Doc's B.R. Other's, Inc.,
826 F.2d 837, 4 U.S.P.Q.2d 1026
(9th Cir. 1987) 24

Hast v. Dan Chase Taxidermy Supply Co., Inc.,
884 F.Supp. 71 (N.D.N.Y. 1995) 14

Imagineering, Inc. v. Van Klassens, Inc.,
53 F.3d 1260 (Fed. Cir. 1995) 12, 17, 19

*INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*,
95 F.3d 663 (8th Cir. 1996) 12, 16

International Jensen, Inc. v. Metrosound U.S.A., Inc.,
4 F.3d 819, 28 U.S.P.Q.2d 1287
(9th Cir. 1993) 7-12, 16,
17, 24

Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.,
58 F.3d 27 (2nd Cir. 1995) 12, 13

Keystone Retaining Wall Systems, Inc. v. Westrock, Inc.,
997 F.2d 1444, 27 U.S.P.Q.2d
1297 (Fed.Cir. 1993) 23

Knitwaves, Inc. v. Lolloytogs, Ltd. (Inc.),
71 F.3d 996 (2nd Cir. 1995) 12, 13, 20

Krueger Int'l, Inc. v. Nightingale, Inc.,
915 F.Supp. 595 (S.D.N.Y. 1996) 19

L. & J.G. Stickley, Inc. v. Canal Dover
Furniture Co., Inc.,
79 F.3d 258 (2nd Cir. 1996) 12, 13, 19

Lisa Frank, Inc. v. Impact Int'l, Inc.,
799 F. Supp. 980 (D. Ariz. 1992) 25

Locomotor U.S.A., Inc. v. Korus Co., Inc.,
(unpublished but reported at 46 F.3d 1142
(Table) and 1995 WL 7489 (9th Cir. (Cal.) 24

Los Angeles Memorial Coliseum Commission v.
National Football League.,
791 F.2d 13561 (9th Cir. 1986) 27

Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.,
65 F.3d 1063 (2nd Cir. 1995) 12, 13

McGonigle v. Combs,
968 F.2d 810 (9th Cir. 1992),
cert. dismissed, 506 U.S. 948,
113 S.Ct. 399, 121 L.Ed.2d 325 (1992) 26, 27

New York Racing Ass'n v. Perlmutter Pub. Inc.,
unpublished, reported at 1996 WL
465298 (N.D.N.Y.) 20

Paddington Corp. v. Attiki Importers & Distributors, Inc.,
996 F.2d 577 (2nd Cir. 1993) 12

Pebble Beach Co. v. Tour 18 I, Ltd.,
942 F. Supp. 1513 (S.D. Tex. 1996) 19

Qualitex Company v. Jacobson Products Co., Ltd.
___ U.S. ___, 115 S.Ct. 1300 (1995) 9

Seabrook Foods, Inc. v. Bar-Well Foods Ltd.,
568 F.2d 1342, 196 U.S.P.Q. 289
(CCPA 1977) 6, 9, 22, 25, 26

Stuart Hall Co., Inc. v. Ampad Corp.,
51 F.3d 780 (8th Cir. 1995) 12, 15, 19, 23

Thomas & Betts Corp. v. Panduit Corp.,
65 F.3d 654 (7th Cir. 1995) 12, 15

Tone Bros., Inc. v. Sysco Corp.,
28 F.3d 1192 (Fed. Cir. 1994) 12, 17, 26

Topps, Inc. v. Gerrit J. Verburg Co.,
unpublished, reported at
1996 WL 719381 (S.D.N.Y. 1996) 21

Two Pesos, Inc. v. Taco Cabana, Inc.,
505 U.S. 763, 112 S.Ct. 2753,
120 L.Ed.2d 615 (1992) 7, 9, 12
14-21, 24

Vision Sports, Inc. v. Melville Corp.,
888 F.2d 609, 12 U.S.P.Q.2d 1740
(9th Cir. 1989) 26

Vornado Air Systems v. Duracraft Corp.,
58 F.3d 1498 (10th Cir. 1995) 12, 16

Statutes

15 U.S.C. § 1125(a) 2, 11, 18

17 U.S.C. § 101 14

28 U.S.C. § 1254(1) 2, 10

28 U.S.C. § 1331 ..... 3, 10

28 U.S.C. § 1332 ..... 3, 10

28 U.S.C. § 1338(a) 3, 10

28 U.S.C. § 1338(b) 3, 10

28 U.S.C. § 1367(a) 3, 10

IN THE SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,
v.

CYRK INTERNATIONAL,
PROSPEROUS ENTERPRISES (Taiwan Ltd.).,
EVERWIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI

Petitioner Sunburst Products, Inc. (hereinafter "Sunburst" or "Petitioner"), respectfully petitions for a Writ of Certiorari to review the decision of the United States Court of Appeals for the Federal Circuit, entered in this case on September 30, 1996.

OPINION BELOW

The judgment of the Court of Appeals for the Federal Circuit is not published but is reported at 98 F.3d 1358 (Fed. Cir. 1996) and appears at Appendix A at A-1. The opinion of the Court of Appeals for the Federal Circuit is not published but is reported at 40 U.S.P.Q.2d 1939, 1996 WL550071 (Fed. Cir. (Cal.)) and is reproduced in Appendix B at B-1. The final judgment of the District Court, entered November 17, 1994, is not published or reported and is reproduced in Appendix C at

C-1. The judgment of the District Court on Special Verdict against CYRK International, entered October 18, 1994 is not published or reported and is reproduced in Appendix D at D-1.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered September 30, 1996. This Court has jurisdiction to review the judgment of the Court of Appeals pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

The United States statutory provision involved is 15 U.S.C. § 1125(a), § 43(a) of the Lanham Act, which is set forth in Appendix E at E-1.

STATEMENT OF THE CASE

In this case, plaintiff Sunburst Products, Inc. ("Sunburst") filed an action against CYRK International, Prosperous Enterprises (Taiwan), Ltd., Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd., for design patent and trade dress infringement over the design of a waist pouch or pack of the type worn by hikers and skiers.[1] The action also alleged claims of

---

[1] CYRK International is now called CYRK, Inc. and is referred to herein as CYRK. Prosperous Enterprises (Taiwan Ltd.), Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd. are foreign suppliers to CYRK, who never made an appearance in the case and against whom default judgments were entered by the Court. Prosperous, Everwin and Glorrieux did not participate in the appeal before the United States Court of Appeals for the Federal Circuit, and the Federal Circuit's judgment does not address these parties.

unfair competition under the California Code and common law. The district court's jurisdiction was based on 28 U.S.C. §§ 1331, 1332, 1338(a) and (b), 1367(a) and 15 U.S.C. § 1121.

Sunburst's design patent claim relates to U.S. Patent No. Des. 334,471, which is directed to the design of a waist pouch. Sunburst's trade dress and state claims all relate to infringement of Sunburst's rights in the design of its REAR GEAR brand waist pack.

The REAR GEAR brand waist pack is comprised of a central pouch and a waist belt and buckle. The pouch is made of a textured fabric, and has a "look" from the piecing together of fabric components for the walls and sides. On the front of the pouch are two spaced-apart pockets. Running across the top of the pouch is a black zipper with a pendant pull tab. Above each of the two pockets are short black zippers with pendant pull tabs. At the center of the front pouch and between the two pockets is a prominent rectangular patch. The pouch is embroidered with the use of black accent stitching. The waist belt is a textured fabric and the buckle is a three-prong clasp and buckle design. The waist pack includes a kidney-shaped water bottle. The water bottle is inserted into the pouch and is removable. On the inside, there is a center divider running length-wise. The water bottle fits behind this center divider. At the top of the interior, there is a saddle strap with accent stitch and a Velcro®-like attachment which fits over the water bottle.

Sunburst contended that CYRK had copied Sunburst's REAR GEAR waist pack and sold 300,000 units to Philip Morris, Inc. for use in a promotional campaign. Philip Morris distributed the copies of Sunburst's REAR GEAR brand waist

packs bearing the MARLBORO logo, in a promotion to sell more MARLBORO cigarettes. CYRK made its imitation using overseas suppliers, Prosperous Enterprises (Taiwan Ltd.), Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd. Sunburst claimed damage through lost sales of the waist packs to CYRK and ultimately to Philip Morris, as well as lost sales because demand of its own waist packs was reduced when consumers obtained the Philip Morris/CYRK waist pack.

The design patent claim was dismissed on summary judgment because all of CYRK's activities occurred prior to the date of issue of the patent. Sunburst did not appeal the grant of summary judgment to CYRK. The remaining claims proceeded to trial before a jury.

At trial, Sunburst introduced the testimony of its designers, who testified that they studied the universe of existing waist packs, and designed a unique overall appearance for the REAR GEAR brand waist pack which would set it apart from other waist packs on the market and would be identifiable. Sunburst also introduced at trial hundreds of designs of luggage articles, including about 80 waist packs, which all showed that Sunburst's waist pack had an uncommon shape, was unique and unusual and was not a mere refinement of commonly adopted and well-known forms of ornamentation for waist packs. Sunburst presented copies of articles in sports magazines highlighting the uniqueness of the design. Sunburst also relied upon the fact of its design patent over the design of the waist pouch as evidence that its design was novel and unobvious, and therefore distinctive. Additionally, CYRK admitted that the appearance of the kidney-shaped bottle included with the waist

pack trade dress is distinctive. Sunburst also introduced evidence that CYRK intentionally copied, knowing that the waist pouch and bottle design was unique to Sunburst, and had indeed instructed it's manufacturer/supplier, over its objections, that the Sunburst REAR GEAR brand waist pouch be copied ***identically***. Finally, Sunburst introduced evidence of independent sales representatives, who testified that they inquired of Sunburst whether Sunburst had actually sourced or supplied the waist pouches distributed by Philip Morris[2].

After a four-day trial, judgment was entered by the Court upon the return of the special verdict in favor of Sunburst. The jury's special verdict found that:

> (a) the trade dress was inherently distinctive and nonfunctional;
>
> (b) CYRK's waist pack was likely to cause confusion, mistake or deception to substantial numbers of the buying public as to whether it was a Sunburst waist pack;
>
> (c) the infringement by CYRK was not done with intent to pass off its waist pack as a Sunburst waist pack; and
>
> (d) the amount of $400,000 was awardable to Sunburst as damages after deducting a set-off of $520,000 as

---

[2] Sunburst introduced additional evidence on other relevant issues, including secondary meaning, non-functionality, actual confusion and damages. These other issues were not addressed by the Federal Circuit, are not germane to this petition, and are therefore not discussed herein.

ordered by the Court.

The jury was instructed to pass over an interrogatory on acquired distinctiveness or secondary meaning if it found inherent distinctiveness.

The Court awarded damages in the amount of $400,000 in accordance with the jury's verdict and issued a permanent injunction against CYRK.

CYRK appealed the judgment against it to the United States Court of Appeals for the Federal Circuit. Sunburst cross-appealed, claiming additional damages and attorneys' fees. The Federal Circuit held that the judgment against CYRK "cannot stand as a matter of law," and dismissed Sunburst's cross-appeal as moot.

The Federal Circuit noted that the jury instruction given on inherent distinctiveness was not challenged by either party and was properly drawn from *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344, 196 U.S.P.Q. 289, 291 (CCPA 1977). The jury was instructed:

> A trade dress is inherently distinctive if its design, shape or combination of elements is so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of origin. Factors to be considered in determining whether a trade dress is inherently distinctive includes whether the trade dress is a common basic shape or design, whether it is unique or unusual in a particular field, and whether it is a mere refinement of a commonly

> adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for goods.

The Federal Circuit noted that this instruction was consistent with Ninth Circuit precedent.

The Federal Circuit held that, to be inherently distinctive, a product design must be more than novel. It must "intrinsically identify the source of the products" citing this Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992), the Ninth Circuit's decision in *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 824, 28 U.S.P.Q.2d 1287, 1289 (9th Cir. 1993) and the Third Circuit's decision in *Duraco Products, Inc. v. Joy Plastic Enterprises, Plastic*, 40 F.3d 1431, 1448, 32 U.S.P.Q.2d 1724, 1738 (3rd Cir. 1994).[3]

The Federal Circuit found that:

> In this case, the REAR GEAR pack is an attractive, overall user-friendly design and certain features may even be memorable. However, the features, such as the kidney-shaped bottle and two zippered front compartments are not protectable if they are merely seen to create a type of desirable product.

---

[3] It is notable that the standard for determining protectable trade dress enunciated in the *Duraco* decision was not advocated by CYRK at the trial court level and was not used by the trial court in instructing the jury. CYRK first urged the application of the *Duraco* standard on appeal before the Federal Circuit.

> Here, Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods. Although there was evidence to show that its design or features may have been unique or unusual in this field, Sunburst failed to link this evidence to identification of source. It only submitted evidence that two salesmen of Sunburst's packs questioned its management as to whether Sunburst made the MARLBORO packs. Their testimony is neither representative of consumers nor probative of source identification. Thus, the design was not proved to be inherently distinctive by this evidence. Likewise, Sunburst failed to present relevant evidence concerning any of the other factors identified in *Seabrook* and the jury instruction. As a result, the jury's finding that the Sunburst design was inherently distinctive is not supported by substantial evidence, and the district court erred in not granting CYRK's motion for judgment as a matter of law.

The Federal Circuit did not consider any other issues on appeal, concluding that the judgment had to be reversed because the jury's finding of inherent distinctiveness was not supported by substantial evidence showing that there was an actual association as to source arising from the new, unique, unusual and memorable design or features of the Sunburst waist pack.

REASONS FOR GRANTING THE PETITION

SUMMARY OF THE ARGUMENT

Certiorari is appropriate in this case for two reasons. First, the Federal Circuit's decision in this case adds to the already real and embarrassing conflict of opinions and authorities between the circuit courts of appeal over the construction and application of the Lanham Act to inherently distinctive trade dress. The circuit courts of appeal have reached different results by applying conflicting standards for determining when trade dress is inherently distinctive. This issue is not merely academic or episodic but is of recurring importance. It relates directly to the administration and application of the Lanham Act.

The Federal Circuit's decision is the latest in a series by the Federal Circuit, and other Circuits, which express a continuing hostile resistance to extending trade dress protection to product configurations. This important question of federal law has apparently not been settled by this Court, despite its decisions in *Two Pesos, Inc. v. Taco Cabana, Inc.*, and *Qualitex Company v. Jacobson Products Co., Ltd.*, ___ U.S. ___, 115 S.Ct. 1300 (1995). Additionally, the circuit courts of appeal appear to be wrestling to balance the competing policy considerations, enunciated by this Court in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*[4], *Two Pesos*, and *Qualitex*, for the protection of trademarks, trade dress and designs claimed under the copyright and patent laws of the United States.

---

[4] 489 U.S. 141, 109 S. Ct. 971, 103 L. Ed. 2d.2d 118 (1989).

This Court has also never addressed what evidence is required to establish inherently distinctive trade dress under the Lanham Act. This Court should grant *certiorari* to give further guidance to the Federal Circuit, as well as to the other circuit courts of appeal. There is an urgent need for a uniform national standard for assessing inherently distinctive trade dress.

Second, in entering this judgment and in rendering this opinion, the United States Court of Appeals for the Federal Circuit, has strayed far from the accepted and usual course of judicial proceedings, so as to call for an exercise of this Court's supervisory power. In particular, the Federal Circuit has failed to recognize and apply a precedent of this Court which provides that proof of association as to source is not required for protection of inherently distinctive trade dress under the Lanham Act. The Federal Circuit also did not apply Ninth Circuit law, as it is bound to do, in assessing whether a trade dress is inherently distinctive. In addition, the Federal Circuit has failed to give appropriate deference to a jury's finding that the trade dress at issue is inherently distinctive, ignoring evidence of record and substituting its own assessment of the evidence over that made by the jury.

ARGUMENT

I. THERE REMAINS A REAL AND EMBARRASSING CONFLICT AT THE COURT OF APPEALS LEVEL OVER THE STANDARD OF EXTENDING PROTECTABILITY TO INHERENTLY DISTINCTIVE TRADE DRESS, DESPITE THIS COURT'S DECISION IN *TWO PESOS*.

This Court's decision in *Two Pesos* in June, 1992, made clear that a trade dress may be protected under § 43(a) of the Trademark Act of 1946 (Lanham Act) based on a finding of inherent distinctiveness, without proof that the trade dress has secondary meaning. In the more than four years which have followed *Two Pesos*, the regional circuit courts of appeal have not been able to agree upon and consistently apply a standard for inherent distinctiveness not in conflict with this Court's decision.

A. The Conflict Amongst The Circuits

Since the *Two Pesos* decision, over 570 state, federal and circuit courts have addressed cases in which the term "trade dress" was reportedly mentioned. Sixteen decisions from the regional circuits have in some fashion attempted to apply a standard for determining when a trade dress is inherently distinctive. Of these decisions, six arise from the Second Circuit; one from the Federal Circuit applying Second Circuit law; one from the Third Circuit; one from the Fourth Circuit; two from the Seventh Circuit; two from the Eighth Circuit; one from the Federal Circuit applying Eighth Circuit law; one from the

Ninth Circuit; and one from the Tenth Circuit.[5]

1. The Standards Applied In the Second Circuit

Of the post-*Two Pesos* cases from the Second Circuit, only *Paddington, supra* found the trade dress to be inherently distinctive. That case applied the standard adopted by this Court in *Two Pesos* and found the trade dress to be arbitrary and therefore protected without a showing of secondary meaning. The Second Circuit in *Paddington* held that "the possible varieties of advertising, display and packaging are virtually endless . . . typically a trade dress will be arbitrary and, thus, inherently distinctive." Yet, the Second Circuit did not find any trade dress to be inherently distinctive in five subsequent cases. In three of the five cases, the Second Circuit continued to apply

---

[5] *Computer Care v. Service Systems Enterprises, Inc.*, 982 F.2d 1063 (7th Cir. 1992); *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577 (2nd Cir. 1993); *Devan Designs, Inc. v. Palliser Furniture Corp.*, 998 F.2d 1008 (4th Cir. 1993)(table)(unpublished; reported at 1993 WL 243677); *Int'l Jensen v. Metrosound U.S.A.*, 4 F.3d 819 (9th Cir. 1993); *Tone Bros., Inc. v. Sysco Corp.*, 28 F.3d 1192 (Fed. Cir. 1994); *Duraco Products v. Joy Plastic Enterprises*, 40 F.3d. 1431 (3rd Cir. 1994); *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995); *Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260 (Fed. Cir. 1995); *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27 (2nd Cir. 1995); *Vornado Air Systems v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995); *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654 (7th Cir. 1995); *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2nd Cir. 1995); *Knitwaves, Inc. v. Lolloytogs Ltd. (Inc.)*, 71 F.3d 996 (2nd Cir. 1995); *EFS Marketing, Inc. v. Russ Berrie & Co.*, 76 F.3d 487 (2nd Cir. 1996); *L.&J.G. Stickley, Inc. v. Canal Dover Furniture Co., Inc.*, 79 F.3d 258 (2d Cir. 1996); and *INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*, 95 F.3d 663 (8th Cir. 1996).

the standard used by this Court, which was adopted from *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2nd Cir. 1976), to evaluate whether the trade dress claim was new and unique and, therefore, inherently distinctive.[6] In November, 1995, however, the Second Circuit adopted the standard articulated by the Third Circuit in *Duraco Products v. Joy Plastic Enterprises.*[7]

2. *The Standards Applied In The Third Circuit*

The *Duraco* decision of the Third Circuit, attempted to make a distinction between product packaging trade dress and product configuration trade dress, and concluded that this Court's decision in *Two Pesos* dealt with packaging, not product configuration. The Third Circuit rejected this Court's use of traditional "trademark taxonomy" as inadequate in the context of product configuration trade dress and articulated its own standard for determining whether product configuration trade dress is inherently distinctive. The Third Circuit stated that:

> [t]o be inherently distinctive, a product configuration -- comprised of a product feature or some particular combination or arrangement of product features -- for which Lanham Act protection is sought, must be (i) unusual and memorable; (ii) conceptually separable from the products; and (iii) likely to serve primarily as a designator of origin of the products.

---

[6] *Jeffrey Milstein, Mana Products, supra* and *L.&J.G. Stickley, supra.*

[7] *Knitwaves, supra,* and *EFS Marketing, supra.*

No other prior decision of any court in the land is known to have required conceptual separability of the product from its trade dress as a condition to extending trade dress protection under the Lanham Act.[8]

3. The Standard Applied In The Fourth Circuit

Without mentioning *Two Pesos*, the Fourth Circuit in its only post-*Two Pesos* decision, affirmed in an unpublished opinion a finding that children's furniture was not inherently distinctive because its design was not associated with a particular supplier, there was nothing in the design indicating source, and there was no logo or other distinctive marking affixed. *Devan Designs, supra.* While citing *Abercrombie*, the court did not apply the *Abercrombie* standard in its analysis.

4. The Standards Applied In The Seventh Circuit

The Seventh Circuit in its two post-*Two Pesos* decisions has used two different standards. *Computer Care, supra,*

---

[8] The requirement of "conceptual separability" appears to be borrowed from copyright law. Courts have refused to extend copyright protection to utilitarian objects absent a showing of "conceptual separability." 17 U.S.C. § 101; *Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987). The Third Circuit's use of this additional requirement increases the confusion in the area, rather than providing a clear standard capable of ready application. The copyright doctrine of "conceptual separability" comes with its own 'baggage.' Most courts which have faced the issue have referred to "conceptual separability" as an "elusive concept," *Hast v. Dan Chase Taxidermy Supply Co., Inc.*, 884 F. Supp. 71, 75 (N.D.N.Y. 1995). The Second Circuit recognized in a copyright action that while the doctrine is alive and well, "[t]he problem, however, is determining exactly what it is and how it is to be applied." *Brandir*, 834 F.2d at 1144.

applied the traditional trademark taxonomy used by this Court in *Two Pesos* to affirm a preliminary injunction stating that "evidence of uniqueness supports a finding that a trade dress is inherently distinctive." *Thomas & Betts, supra,* in 1995, adopted the Third Circuit's *Duraco* standard. The *Thomas & Betts* case held the trade dress at issue not inherently distinctive, without discussion.

5. The Standards Applied In The Eighth Circuit

The Eighth Circuit Court of Appeals embraced this Court's test for inherent distinctiveness articulated in *Two Pesos, Abercrombie* and *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126, 102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982). The Eighth Circuit decision in *Stuart Hall, supra*, expressly rejected the *Duraco* standard and disagreed with the Third Circuit's contention that the *Two Pesos* decision related to product packaging, rather than product configuration. The Eighth Circuit criticized the Third Circuit for creating a new test which merely shifts from "actual consumer recognition to likely consumer recognition." The Eighth Circuit has opined that the *Duraco* standard undermines *Two Pesos* by requiring that, to be inherently distinctive, a trade dress be shown to meet a version of the secondary meaning test with a lesser burden of production. The Eighth Circuit points out that the requirement for source identification relates to proof of secondary meaning, not proof of inherent distinctiveness. The Eighth Circuit cites this Court's decision in *Two Pesos* as stating that "[s]uggestive marks are eligible for protection without any proof of secondary meaning, *since the connection between the mark and the source is presumed.*"

The most recent Eighth Circuit case, *INSTY*BIT, supra*, reversed a summary judgment in favor of the defendant because testimony of the uniqueness of the design at the time of the introduction, created at least a genuine issue since a reasonable jury could conclude that the design was inherently distinctive.

6. The Standard Applied In The Ninth Circuit

In very brief *dicta* in *International Jensen, supra*, the Ninth Circuit melded the several tests into a definition of inherent distinctiveness. That court stated that trade dress was inherently distinctive *when* it "identifies the particular source," *or* "distinguishes it from other products," *or* includes "arbitrary features that do not describe product *or* "assist in effective packaging." 4 F.3d at 824.

7. The Standard Applied In The Tenth Circuit

In its only post-*Two Pesos* decision, the Tenth Circuit, while not reaching the issue because of its disposition of a patent law issue, and without citation to either *Ambercrombie* or *Chevron*, stated in *dicta* what is essentially the *Duraco* primary significance test: trade dress are "inherently distinctive because their intrinsic nature is such as to 'almost automatically tell a customer that they refer to a brand,'. . . so that its primary significance in the minds of potential consumers . . . is as an indicator of its source." *Vornado*, 58 F.3d at 1502. The court, however, found no distinction between packaging trade dress and product trade dress analysis. *Id.*

8. The Standards Applied In the Federal Circuit

Finally, the Federal Circuit has, prior to this case, twice addressed the issue of inherent distinctiveness with respect to

trade dress. In a 1994 decision, the Federal Circuit in *Tone Bros, supra*, applying Eighth Circuit law, reversed a summary judgment for the defendant on the grounds that evidence that the container was the first of its kind was sufficient to possibly establish inherent distinctiveness, and therefore, uniqueness was an issue of material fact. Then again in 1995, the Federal Circuit held, applying Second Circuit law in *Imagineering, supra*, that employee and industry testimony about uniqueness of the trade dress was sufficient to support a jury verdict of inherent distinctiveness.

9. The Standards Applied In This Action

By contrast, in the action at bar, the Federal Circuit, allegedly applying Ninth Circuit law, has held that:

> To be inherently distinctive, a product design must be more than novel, *i.e.*, the first where the particular features are arranged in a particular way. If novelty were the sole requirement, every new design of any product would be *ipso facto* protectable. What is necessary is that the design must intrinsically identify the particular source of the products. (Citing *Two Pesos, International Jensen* and *Duraco*).[9]

---

[9] Curiously, the Federal Circuit chose not to follow its own precedents, without comment, in deciding this case. As noted above the Federal Circuit in this case held that the testimony of two salesmen of Sunburst's pack, questioning its management about the source of the MARLBORO packs is not "evidence of source association" and that the design was not proved to be inherently distinctive by this evidence." Yet, The Federal Circuit has previously held that "employee" and industry witness testimony that the design of a claimed

The Federal Circuit then ruled that notwithstanding the jury's finding of inherent distinctiveness and its own findings that the trade dress of the waist pouch is "novel," "unique," "unusual" and "may even be memorable," the trade dress of the REAR GEAR brand waist pouch is not inherently distinctive because "Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods."

B. The Need for Uniform National Standard

The regional circuit courts of appeal and the Federal Circuit are clearly lost and need this Court's guidance. This Court has held that if the mark, whether a trademark or trade dress, is not merely descriptive, it is inherently distinctive and must be protected without requiring additional proof of secondary meaning. Yet, the Federal Circuit, the Third, the Fourth, the Second and the Seventh Circuits, are requiring proof that unique trade dress, which is not merely descriptive, "be shown to intrinsically identify its source." The decisions of these circuits, in requiring proof of association as to source are still "[en]grafting onto section 43(a) a requirement of secondary meaning for inherently distinctive trade dress" which this Court has stated "would undermine the purposes of the Lanham Act."[10]

The conflict between the regional courts of appeal has

---

trade dress was "novel," "exclusive," "a totally different look" and that the witness had "not seen anything like" the design was "considerable evidence" about inherent distinctiveness of the design and supported a jury's finding of inherent distinctiveness. *Imagineering, supra.*

[10] *Two Pesos*, 505 U.S. at 774, 112 S. Ct. at 2760.

reached embarrassing heights[11] and is today encouraging forum shopping by litigants. The Eighth Circuit's *Stuart Hall* decision and the Third Circuit's *Duraco* decision, are polarizing litigants and the courts so much so that confusion reigns.[12]

---

[11] The Second Circuit, in *L. & J.G. Stickley, Inc., supra,* criticized the Federal Circuit's analysis in *Imagineering,* stating that:

> We believe that the *Imagineering* case does not present a correct analysis of inherent distinctiveness because the Court did not question which origin the product's trade dress designated: Heistad, the creator, or Imagineering, the producer. 79 F.3d at 263.

Unguided by the Fifth Circuit, a district court in Texas has independently concluded that trade dress which is unlike any other prior design is nevertheless unprotectable without proof of secondary meaning. Yet in the same case the court found the design of a golf hole inherently distinctive "because of the uniqueness of the appearance of the lighthouse and its relation to the 18th hole" without secondary meaning. *Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F. Supp. 1513 (S.D. Tex. 1996)

[12] The Second Circuit's adoption of the *Duraco* standard has been criticized even by district courts in the Second Circuit.

▸ In *Krueger Int'l, Inc. v. Nightingale, Inc.*, 915 F.Supp. 595 (S.D.N.Y. 1996), the district court expressly refused to apply the *Duraco* standard as adopted in *Knitwaves* noting that:.

> The Eighth Circuit, instead, has recently made a forceful and persuasive argument that the Supreme Court has not authorized us to abandon *Abercrombie*, no matter how much difficulty it causes. *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 788 (8th Cir. 1995). As the Eighth Circuit reasoned, *Two Pesos* was clearly a case of product design and it expressly approved the application of the *Abercrombie* classifications to the design of a Mexican restaurant

chain. (citation omitted) Moreover, the entire thrust of *Two Pesos* was to unify the standards for trademark and trade dress, not to balkanize this complex field into yet more subcategories. I agree with the Eighth Circuit's conclusion that the Supreme Court envisions trade dress as a 'single concept' with trademark law requiring a single test for inherent distinctiveness. (citation omitted).

Further, I believe that *Knitwaves'* new test for inherent distinctiveness confuses the analytical requirements for inherent distinctiveness with those of secondary meaning. Inherent distinctiveness cannot hinge on how a producer intends to promote a design. If such were the case, the evidentiary requirements for inherent distinctiveness would be almost identical to those for secondary meaning and there would be no point in having two categories. A producer could only prove 'intent' by producing evidence of how he or she has advertised (or positioned) the product, and by producing consumer surveys showing how well the advertising worked. This is precisely the kind of evidence required for a showing of secondary meaning. (citation omitted) An inherent quality by contrast is one which 'inheres' in a product, regardless of what the producer intends, particularly if the product is too new to have acquired secondary meaning. *Two Pesos* created no such 'intent' requirement, stating only that an inherently distinctive design is one that is *'capable* of identifying a particular source of the product.'

915 F. Supp. at 602.

▸ In *New York Racing Ass'n v. Perlmutter Pub. Inc.*, unpublished, reported at 1996 WL 465298 (N.D.N.Y. 1996) the court adopted a "primary purpose rule" stating that the claimant must show that the

The issue at hand is of significant importance to the public, the bench and the bar. With over 570 cases since June of 1992 mentioning trade dress, it is clear that this is a hotly litigated area. In every trade dress action, the first element of consideration is whether the claimed trade dress is either inherently distinctive or has acquired distinctiveness. Every court and every litigant has to determine what standard to apply in determining whether a claimed trade dress is inherently distinctive. Litigants and the courts are then faced with the issue of what evidence is relevant and sufficient to prove inherent distinctiveness.

After this Court's decision in *Two Pesos*, and until *Duraco*, all the regional courts of appeals uniformly were applying a standard of "uniqueness" of the claimed trade dress to determine whether it is inherently distinctive. As noted by the Eighth Circuit, the *Chevron* and *Abercrombie* tests "focus on the arbitrariness of the trade dress and its relevance to the product,

---

"trade dress is one that is (sic) serves primarily as a designator of origin and whose primary objective is source identification rather than aesthetic appeal."

▸ In *Topps, Inc. v. Gerrit J. Verburg Co.*, unpublished, reported at 1996 WL 719381 (S.D.N.Y. 1996), the court found the trade dress inherently distinctive because it was "sufficiently unique in the market to indicate the product's source" taking "into account the nature of the designations and the context in which it is used."

▸ As recently as October 1996, another judge of the Southern District of New York held in *Clinique Laboratories, Inc. v. DEP Corp.*, ___ F. Supp. ___, 1996 WL 583395 (S.D.N.Y. 1996), that the trade dress was inherently distinctive because the shape was "unusual and unique" and the packaging "comprised] a distinctive arrangement of features" that was "arbitrary and fanciful."

whereas the *Seabrook* test focuses on a comparison of the trade dress with others in the same field." 51 F.3d at 787. Even the Federal Circuit applied this standard. Indeed, the predecessor court to the Federal Circuit, first fashioned the *Seabrook* test which was used as the basis for the jury instruction given in this case. The *Duraco* test, now apparently accepted by the Third, Second, Seventh and Federal Circuits, significantly departs from the accepted test and applies a standard which is repugnant to the decisions of this Court.

The confusion that reigns with respect to the standard that should be applied is best seen in the decisions of the Federal Circuit itself. Having, in 1979, fashioned the *Seabrook* standard, which focuses on a comparison of the claimed trade dress to the particular field, the Federal Circuit is now requiring *proof* that a "novel," "unique," "unusual" and even "memorable" design for which trade dress protection is sought, actually serves to identify the source. The Federal Circuit seems unable to accept this Court's holding that "the connection between the mark and the source is *presumed*" when the trade dress is inherently distinctive.

This Court is respectfully requested to grant this petition for *certiorari*, so that it may clarify for the regional courts of appeal and for the Federal Circuit, that there is no difference in the standard for protectability of a product configuration trade dress as compared with a product packaging trade dress, or as compared with trade marks generally. The Court is further asked to clarify that in assessing whether a particular trade dress is inherently distinctive one needs only determine whether the trade dress as claimed is "merely descriptive" of the product or a "mere refinement of a commonly adopted form of

ornamentation" and is therefore nonprotectable for such products, or if it is in fact novel, unique or unusual in the field and, therefore, protectable. It is immensely important to the public, to commerce and to the courts to have a uniform national standard for determining protectable trade dress, so that the purposes of the Lanham Act, namely, "to secure to the owner of the mark the good will of his business and to protectability of consumers to distinguish among competing producers" are not frustrated.

II. PETITION FOR *CERTIORARI* SHOULD BE GRANTED SO THAT THIS COURT MAY EXERCISE ITS SUPERVISORY POWERS TO SET ASIDE THE JUDGMENT OF THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT, WHICH IS REPUGNANT TO THE DECISION OF THIS COURT AND INCONSISTENT WITH THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS.

This action was appealed to the Court of Appeals of the Federal Circuit because the action originally included a claim for design patent infringement. However, in reviewing the District Court's judgment on trade dress infringement, the Federal Circuit was bound to apply the law of the Ninth Circuit and the decisions of this Court. *Keystone Retaining Wall Systems, Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1447, 27 U.S.P.Q.2d 1297,1300 (Fed.Cir. 1993). The Federal Circuit is of course bound to follow decisions of this Court.

A. The Federal Circuit Has Failed to Follow the Decision of this Court in *Two Pesos*.

As noted above, the Federal Circuit failed to apply the controlling precedent of this Court, as enunciated in *Two Pesos*. In particular, the Federal Circuit failed to recognize that no proof of secondary meaning or association as to source is required for inherently distinctive trade dress because the association between trade dress and the source is presumed. Additionally, the Federal Circuit failed to give weight to this Court's favorable adoption of the standard for determining whether a trade dress is inherently distinctive as expressed in *Abercrombie*, namely, whether the claimed trade dress is merely descriptive, or suggestive, arbitrary or fanciful.

B. The Federal Circuit Has Failed to Apply Ninth Circuit Law In the Standards for Determining Inherently Distinctive Trade Dress.

Additionally, the Federal Circuit significantly departed from accepted usual course of proceedings when it failed to apply the accepted Ninth Circuit standard to determine whether a trade dress is inherently distinctive.[13] The District Court

---

[13] The only Ninth Circuit cases to discuss protectability of inherently distinctive trade dress are *Fuddruckers, Inc. v. Doc's B.R. Other's, Inc.*, 826 F.2d 837, 4 U.S.P.Q.2d 1026 (9th Cir. 1987) (which did not "decide whether it is ever appropriate to protect inherently distinctive trade dress without proof of secondary meaning"), the *Int'l Jensen v. Metrosound* decision discussed above, and *Locomotor U.S.A., Inc. v. Korus Co., Inc.*, (unpublished but reported at 46 F.3d 1142 (Table) and 1995 WL 7489 (9th Cir. (Cal.)) (which reversed a summary judgment for the plaintiff because the District Court had not considered whether the claimed trade dress was inherently distinctive

applied the *Seabrook* test which measures the extent to which the claimed trade dress is unique in a particular field, by a comparison with other products in the field. No one, including CYRK and the Federal Circuit, has challenged that this is the appropriate standard in the Ninth Circuit. The Federal Circuit has also accepted that the waist pouch trade dress at issue in this case is "novel," is "unique," is "unusual" and "may even be

---

under the standard set out in *Two Pesos*.)

However three district court cases from the Ninth Circuit have addressed whether trade dress is inherently distinctive:

- Holding that it did not need to reach the question of inherent distinctiveness because secondary meaning had been shown, the Southern District of California, in *Ferrari S.p.A. v. McBurnie*, 11 U.S.P.Q.2d 1843 (S.D. Cal. 1989), nevertheless stated that "[u]nique or distinctive designs or product shapes do not need a showing of secondary meaning to obtain protection from infringement. The very fact of their distinctiveness causes these unique and distinctive designs to distinguish one person's products from another's." 11 U.S.P.Q.2d at 1850.

- The District Court in Arizona, in *Lisa Frank, Inc. v. Impact Int'l, Inc.*, 799 F. Supp. 980 (D. Ariz. 1992) applied the *Seabrook* test and found the claimed trade dress inherently distinctive.

- The Central District of California, in *Black & Decker Corp. v. International Sales and Marketing*, 36 U.S.P.Q.2d 1851 (C.D. Cal. 1995), found a trade dress inherently distinctive on "overwhelming evidence" that "no one offered a similar flashlight in the marketplace"prior to the introduction of the trade dress claimed, that the "design was a departure from the previous flashlight designs in the market" and the "instant and enormous commercial success as well as the numerous design awards the product has received." 36 U.S.P.Q.2d at 1853.

memorable." However, the Federal Circuit incorrectly concluded that such findings were insufficient to establish inherent distinctiveness.[14]

The Federal Circuit also did not give weight to the presumption of distinctiveness applied in the Ninth Circuit in cases where there is evidence of actual copying which remains unrebutted by evidence showing a legitimate justification for the copying. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615, 12 U.S.P.Q.2d 1740 (9th Cir. 1989).

C. The Federal Circuit Departed From Well-Established Principles Limiting the Scope of Review Adopted by this Court and Routinely Applied in the Ninth Circuit, Failing to Consider all Evidence of Record and by Substituting its Own Assessment of the Evidence for that Made by the Jury in the Case.

The Federal Circuit also ignored evidence of record and wrongly substituted its judgment with respect to factual findings for the judgment of the jury in the case. The jury found that the trade dress of the waist pouch at issue, applying the *Seabrook* standard, was in fact inherently distinctive, namely "so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of source."

A court of appeal reviews denial of a motion for judgment as a matter of law *de novo*. *McGonigle v. Combs*, 968

---

[14] As shown above, on two prior occasions the Federal Circuit has held that such evidence would permit a jury to find a trade dress inherently distinctive. *Tone Bros.*, *supra* and *Imagineering, supra*.

F.2d 810, 816 (9th Cir. 1992), *cert. dismissed*, 506 U.S. 948, 113 S.Ct. 399, 121 L.Ed.2d 325 (1992). The Ninth Circuit has articulated the standard for such motions as being:

> "viewing the evidence as a whole and in the light most favorable to the nonmoving party, . . . does substantial evidence support the jury's verdict or, on the contrary, is the only reasonable conclusion that can be drawn from the evidence that the moving party . . . is entitled to judgment as a matter of law? (citations omitted) We may not weigh the evidence and impose a result we find to be preferable as long as the jury's verdict is supported by substantial evidence. (citation omitted)"

Los Angeles Memorial Coliseum Commission v. National Football League, 791 F.2d 1356, 1360 (9th Cir. 1986). Judgment as a matter of law is proper where the evidence permits only one reasonable conclusion. *McGonigle, supra*. The Federal Circuit did not apply this standard when reviewing the jury's findings in this case.

There was evidence of record to support the jury finding of inherent distinctiveness. The evidence included the testimony of the designers; hundreds of designs of luggage articles, including about 80 waist packs; articles in sports magazines pointing to the novelty and uniqueness of the REAR GEAR design; the fact of an issued design patent; admissions by the defendant that the bottle included in the claimed trade dress is distinctive; admissions by the defendant that it intentionally copied the claimed trade dress, and evidence of actual confusion by sophisticated sales representatives familiar with the trade

dress. In rendering its opinion in this case, the Federal Circuit failed to recognize all of the evidence which was represented by Sunburst, even though it was all part of the record before the Federal Circuit.

These departures from accepted standards for judicial proceedings are substantial and need to be rectified, not solely for the benefit of the litigants involved, but also to ensure the consistent application of legal standards and the administration of justice. If *certiorari* is not granted, Sunburst will be deprived of more than just a remedy for infringement of its inherently distinctive trade dress in its waist pouch design; Sunburst will be deprived of its rights and all protection over its inherently distinctive trade dress. The Federal Circuit's judgment completely frustrates the purpose of the Lanham Act, because it deprives Sunburst of the "goodwill of [its] business" and denies it and its consumers "the ability to distinguish among competing producers."

CONCLUSION

The interests of a consistent national standard and the significant departure from the accepted and usual course of judicial proceedings by the Federal Circuit which has deprived Sunburst of not only a remedy of trade dress infringement, but also its trade dress rights warrant granting of *certiorari* in this case.

Respectfully submitted,

SHELDON & MAK

December 27, 1996

By: _____

Surjit P. Soni
Counsel of Record
SHELDON & MAK
225 S. Lake Avenue, 9th Flr.,
Pasadena, California 91101
(818) 796-4000

Of Counsel
Robert J. Rose
Rose & Brutocao
225 S. Lake Avenue, 9th Flr.
Pasadena, California 91101
(818) 683-8787

Attorneys for Petitioner
SUNBURST PRODUCTS,
INC., d/b/a FREESTYLE
U.S.A.

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT
95-1091, -1104

SUNBURST PRODUCTS, INC.
d/b/a FREESTYLE U.S.A.,
Plaintiff/Cross-Appellant,
v.
CYRK INTERNATIONAL,
Defendant-Appellant,
and
PROSPEROUS ENTERPRISES (TAIWAN LTD.,),
EVER WIN BAGS CO. LTD. and
GLORRIEUX INDUSTRIAL LTD.,
Defendants.

JUDGMENT

ON APPEAL from the UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

in CASE NO(S): CV-93-6007

This CAUSE having been heard and considered, it is ORDERED AND ADJUDGED:

REVERSED

ENTERED BY ORDER OF THE COURT

DATED SEP 30 1996 /s/ Francis X. Gindhart
Francis X. Gindhart, Clerk

ISSUED AS A MANDATE: October 21, 1996

APPENDIX B

98 F.3d 1358 (Table)
40 U.S.P.Q.2d 1939

Unpublished Disposition
(Cite as: 98 F.3d 1358, 1996 WL 550071 (Fed.Cir.(Cal.)))

NOTICE: Federal Circuit Local Rule 47.6(b) states that opinions and orders which are designated as not citable as precedent shall not be employed or cited as precedent. This does not preclude assertion of issues of claim preclusion, issue preclusion, judicial estoppel, law of the case or the like based on a decision of the Court rendered in a nonprecedential opinion or order.

(The decision of the Court is referenced in a "Table of Decisions Without Reported Opinions" appearing in the Federal Reporter.)

SUNBURST PRODUCTS, INC. d/b/a Freestyle U.S.A., Plaintiff/Cross-Appellant,

v.

CYRK INTERNATIONAL, Defendant-Appellant,

and

Prosperous Enterprises (Taiwan Ltd.,), Ever Win Bags Co. Ltd. and Glorrieux Industrial Ltd., Defendants.

Nos. 95-1091, 95-1104.

United States Court of Appeals, Federal Circuit.
Sept. 30, 1996.

C.D.Cal.
REVERSED.

Before ARCHER, Chief Judge, NIES*, Senior Circuit Judge, and LOURIE, Circuit Judge.

PER CURIAM.

This appeal concerns the protection of a design of a waist pouch or pack of the type worn by hikers and skiers. Sunburst Products, Inc. (Sunburst) sued Cyrk International (Cyrk) and its foreign suppliers[1] in the United States District Court for the Central District of California (Civil Action No. CV-93- 6007), alleging that Cyrk's waist pack design constituted (1) infringement of U.S. Patent No. Des. 334,471, (2) use of a false designation of origin in violation of section 43(a) of the Lanham Act (codified at 15 U.S.C. § 1125(a) 1994)), and (3) unfair competition under the California Code and common law. Following a jury trial, judgment was entered by the court for Sunburst upon the return of a special verdict favorable to Sunburst. The court awarded damages in the amount of $400,000 in accordance with the jury's verdict and issued a permanent injunction against Cyrk. Cyrk seeks to have the judgment reversed. Sunburst cross appeals, claiming entitlement to additional damages and attorney fees. We agree with Cyrk that the judgment against it cannot stand as a matter of law. Sunburst's cross-appeal is dismissed as moot

---

1. The foreign suppliers were added by an amended complaint in March 1994.

I.

BACKGROUND

Cyrk was selected by Philip Morris, Inc. ("PM") in the spring of 1992 to supply a variety of products for a Marlboro cigarette promotional campaign. Proof of purchase certifications on Marlboro cigarette packs could be redeemed for the products. The catalog offered products such as T-shirts, a key chain, a lighter, and a waist pack. All of the items offered were put out in the "Marlboro red" color and bore the Marlboro mark and logo.

It is undisputed that PM gave Cyrk a waist pack sold by Sunburst under its mark REAR GEAR as a sample of what it wanted for the Marlboro promotion. The Sunburst waist pack included a kidney-shaped water bottle. In response to Cyrk's concerns about possible proprietary rights in the REAR GEAR waist pack design or the kidney-shaped water bottle, PM's patent counsel investigated and reported that neither the waist pack nor the water bottle had been patented as of July 17, 1992. Cyrk then proceeded to obtain and supply PM with the promotional waist packs.

Sunburst first sued PM, a suit which was settled for $520,000. Sunburst then filed suit against Cyrk. The court dismissed Sunburst's claim for patent infringement on Cyrk's motion for Plastic judgment because all of the allegedly infringing conduct occurred before the issuance of Sunburst's design patent on April 6, 1993.

The ensuing trial was to a jury on the remaining counts under the Lanham Act, 15 U.S.C. § 1125, and state law[2]. At the close of all the evidence, Cyrk moved for judgment as a matter of law (JMOL) under Rule 50. Fed.R.Civ.P. 50. The trial judge sent the case to the jury without acting on the motion. In its special verdict, the jury found that the REAR GEAR waist pack design was inherently distinctive and nonfunctional; that the MARLBORO waist pack was likely to cause confusion with the REAR GEAR waist pack; but that Cyrk did not intend to pass off the MARLBORO waist pack as the Sunburst product. The jury fixed damages at $400,000 after deducting the $520,000 paid by PM. After return of the verdict, Cyrk renewed its motion for JMOL. On October 18, 1994, the trial judge accepted the jury's findings and entered judgment against Cyrk in accordance with Rule 58. Fed.R.Civ.P. 58. A final judgment was entered on November 17, 1994, terminating the case as to all parties.

II

Sunburst's Motion to Dismiss Cyrk's Appeal

Before reaching the merits, we must address a procedural issue. Sunburst argues that Cyrk's appeal is improper to the extent it challenges the findings in the special verdict because Cyrk failed to file a motion for JMOL following entry of the judgment. Sunburst maintains that Cyrk's appeal must be dismissed or, if allowed, our review is limited to matters of "plain error." According to Sunburst, a renewed motion for JMOL is ineffective under Rule 50(b) if it is filed before final judgment is entered[3]. Cyrk counters that its renewed motion,

---

[2] The parties do not raise the state law claims on appeal.

[3] Both parties argue as if the October 18, 1994 judgment were the final judgment in the case. However, until judgment was entered on November 17, 1994 against the foreign defendants, the

filed after the verdict was returned, is timely, and the court's October 18, 1994 judgment effectively denied its motion. We agree with Cyrk. Rule 50(b)[4] states in pertinent part:

> (b) Renewing Motion for Judgment After Trial; Alternative Motion for New Trial. If, for any reason, the court does not grant a motion for judgment as a matter of law made at the close of all the evidence, the court is considered to have submitted the action to the jury subject to the court's later deciding the legal questions raised by the motion. The movant may renew its request for judgment as a matter of law by filing a motion no later than 10 days after entry of judgment--and may alternatively request a new trial or join a motion for a new trial under Rule 59. In ruling on a renewed motion, the court may:
>
> (1) if a verdict was returned:
>
> (A) allow the judgment to stand,
>
> (B) order a new trial, or
>
> (C) direct entry of judgment as a matter of law; or
>
> (2) if no verdict was returned;

---

judgment was not final for purposes of appeal. See Fed. R. Civ. Pro. 54(b). Indeed, CYRK's notice of appeal filed November 16, 1994 was premature. However, under Rule 4(a)(2) as amended in 1993, Fed. R. App. P. 4, the notice became effective upon entry of the November 17, 1994 judgment.

[4] Although the relevant events transpired in 1994, we refer to the current version of Rule 50(b) of the Rules of Civil Procedure which differs from the 1994 version in only minor respects.

(A) order a new trial, or

(B) direct entry of judgment as a matter of law.

We reject Sunburst's position that Rule 50(b) requires entry of judgment as a condition precedent to the filing of a motion for JMOL. Rule 50(b) has always specifically set only the last date for filing, not the first. Prior to its amendment in 1963, Rule 50 set the time limit for a motion for judgment notwithstanding the verdict (JNOV) at ten days measured from receipt of the verdict, a time which could well precede the judgment. The 1963 amendment to Rule 50 extended the period to not later than ten days after entry of judgment. The 1991 amendment changed the name to "judgment as a matter of law" (JMOL) replacing the use of JNOV. In 1995, while other language changes were made, the rule continued to provide for filing "no later than ten days after entry of the judgment."

With respect to the first date for a Rule 50 motion, a motion for JNOV filed before a verdict was returned would have been a senseless act. One cannot attack a verdict if none was returned. Similarly, the current rules suggest no opening date for such post-trial motion. Logically, the earliest triggering event would be the close of a jury trial related to the issue, a date clearly satisfied in this case. Apart from this consideration, no opening date for filing such motion is implied by the rules. Moreover, the Advisory Committee Notes to the 1995 amendment state that the phrase "no later than" was used so as to include "motions filed before actual entry of the judgment." Thus, the Advisory Committee clearly contemplated such motions could be made before judgment.

In sum, we conclude that a renewed Rule 50(b) motion may be made prior to entry of the final judgment. Cyrk's renewed motion for JMOL, filed after the verdict was returned, was timely and preserved for review the issue of the sufficiency

of the evidence to support each finding in the special verdict[5].

III.

DISTINCTIVENESS OF REAR GEAR PACK

If the mere copying of another's product were actionable, Sunburst would clearly prevail in this case. Except for the substitution of the MARLBORO logo for the REAR GEAR mark on the waist pack, the MARLBORO pack duplicates Sunburst's design. But copying a product, even another's original design, is not actionable if that is all that is involved.

The federal statute invoked here is Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), which provides:

> (a) Civil action; any person
>
> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, ... which--

---

[5]. Until a timely Rule 50(b) motion is ruled on, the time for appeal does not begin to run. See Fed. R. APP. P. 4(a). However, a post-trial motion filed prejudgment may be ruled on prejudgment or post-judgment or by the judgment itself. See, e.g., *Mosier v. Federal Reserve Bank of New York*, 132 F.2d 710, 712 (C.C.A.2 1942) (prejudgment motion for rehearing ruled on prejudgment); *Calculators Hawaii, Inc. v. Brandt, Inc.*, 724 F.2d 1332, 1335 (9th Cir. 1983) (prejudgment Rule 52 motion ruled on post- judgment); *Dunn v. Truck World, Inc.*, 929 F.2d 311, 313 (7th Cir.1991) (prejudgment Rule 59 motion ruled on by judgment itself). In this case, the parties do not dispute that the judgment of October 18, 1994 denied all motions. Thus, the November judgment was final for purposes of appeal, and this court has jurisdiction

> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.. .....
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The purpose of this statute is not to prevent copying product shapes but to protect a means of identification of the source of a product or service from use by another which creates a likelihood of confusion as to the source of the latter's product or service. In the words of the statute, the act imposes liability for the use of "a false designation of origin." Section 43(a) protects conventional designations of origins such as words, symbols, and devices used as trademarks or service marks.

Section 43(a) of the Lanham Act has also been interpreted to protect the distinctive trade dress of a product or service as a designation of origin and the use of the same or similar trade dress by a competitor may be a false designation. Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992). In Two Pesos, the Supreme Court protected the "trade dress" of a restaurant--namely, its decor and ambiance--with the following explanation:

> The general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning. Id. at 769. Likewise, under Ninth Circuit precedent, which applies here, Lanham Act section 43(a) protection is available for a product design as a trade dress if the design is either inherently

distinctive or has acquired secondary meaning. International Jensen, Inc. v. Metrosound USA, Inc., 4 F.3d 819, 822-23, 28 U.S.P.Q.2d 1287, 1289 (9th Cir.1993).

The finding of trade dress infringement in this case is based on the jury's specific finding that the Sunburst waist pack design was an inherently distinctive trade dress[6]. Neither party directly challenges the law as set forth in the following jury instruction:

> A trade dress is inherently distinctive if its design, shape or combination of elements is so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of origin. Factors to be considered in determining whether a trade dress is inherently distinctive include whether the trade dress is a common basic shape or design, whether it is unique or unusual in a particular field, and whether it is a mere refinement of a commonly adopted and well known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods.

Indeed, this instruction is supported by the Court of Customs and Patent Appeals' decision in *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344, 196 U.S.P.Q. 289, 291 (CCPA 1977), which articulated similar factors to be considered in determining whether a design is inherently distinctive of source. Moreover, this instruction is consistent

---

[6] We need not consider whether the waist pack design had acquired secondary meaning and distinctiveness based on secondary meaning. The jury did not reach this question and remand on this issue has not been sought on appeal

with Ninth Circuit precedent which requires, without delineating specific factors to be considered, that an inherently distinctive design identify the particular source of the products and distinguish it from other products. *International Jensen*, 4 F.3d at 824, 28 U.S.P.Q.2d at 1291.

Sunburst argues that the kidney shape of the REAR GEAR pouch and water bottle were "uncommon"; that double accent stitching and the quilt-like appearance were "unusual"; and that the placement of pockets, zipper pulls, belts, fabric, and buckles created a look which set Sunburst's waist pack apart in the marketplace. It also argues that its designers intended to create a design different from others on the market. Thus, Sunburst argues that the jury's finding was correct.

In contrast, Cyrk argues that the design is not "so unique, unusual or unexpected" that one can assume that the design would immediately indicate the source of the goods to consumers. Further, Cyrk argues that Sunburst failed in its offer of proof in that Sunburst presented no meaningful comparison with other products on the market or other evidence that consumers would recognize the design as an identification of source. On these points we agree with Cyrk.

To be inherently distinctive a product design must be more than novel, i.e., the first with the particular features arranged in a particular way. If novelty were the sole requirement, every new design of any product would be ipso facto protectable. What is necessary is that the design must intrinsically identify the particular source of the products. Two Pesos, 505 U.S. at 768 (stating that inherently distinctive marks identify a particular source of a product by their intrinsic nature); *International Jensen*, 4 F.3d at 824, 28 U.S.P.Q.2d at 1291; *see also Duraco Prods. Inc. v. Joy Plastic Enters. Ltd.*, 40 F.3d 1431, 1448, 32 U.S.P.Q.2d 1724, 1738 (3d Cir.1994) (explaining that to be inherently distinctive and subject to protection under the Lanham Act, a product configuration "must be (I) unusual

and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product"). If the design is not so distinct as to indicate its origin, copying of that design cannot cause confusion as to origin. This is explained in the RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16, cmt. b (1995):

> b. Distinctiveness. The freedom to copy product and packaging features is limited by the law of trademarks only when the copying is likely to confuse prospective purchasers as to the source or sponsorship of goods or services. The imitation or even complete duplication of another's product or packaging will not create a risk of confusion unless some aspect of the duplicated appearance is identified with a particular source. Thus, unless a feature is distinctive ..., it is ineligible for protection as a trademark. A further restriction ... prohibits protection for functional features.... Rigorous application of the requirements of distinctiveness and nonfunctionality is necessary in order to avoid undermining the carefully circumscribed statutory regimes for the protection of useful and ornamental designs under federal patent and copyright law.

In this case, the REAR GEAR pack is an attractive, overall user-friendly design and certain features may even be memorable. However, the features, such as the kidney-shaped bottle and two zippered front compartments, are not protectable if they are merely seen to create a type of desirable product.

Here, Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods. Although there was evidence to show that its design or features may have been unique or unusual in this field, Sunburst failed to

link this evidence to identification of source. It only submitted evidence that two salesmen of Sunburst packs questioned its management as to whether Sunburst made the MARLBORO packs. Their testimony is neither representative of consumers nor probative of source identification. Thus, the design was not proved to be inherently distinctive by this evidence. Likewise, Sunburst failed to present relevant evidence concerning any of the other factors identified in Seabrook and the jury instruction. As a result, the jury's finding that the Sunburst design was inherently distinctive is not supported by substantial evidence and the district court erred in not granting Cyrk's motion for judgment as a matter of law.

Because our resolution of this issue against Sunburst completely disposes of the issue of Cyrk's liability, we need not consider the asserted functionality of the design.

IV.

CONCLUSION

The judgment of the district court awarding damages and granting an injunction against Cyrk is reversed.

REVERSED

APPENDIX C

FILED
NOV 16 1994
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SUNBURST PRODUCTS, INC. dba FREESTYLE U.S.A., a California corporation, Plaintiff, v. CYRK INTERNATIONAL, a corporation organized under the laws of an unknown state, Defendant.	)))))))))))	Case No. 93 6007 INC. etc. JUDGMENT AGAINST PROSPEROUS ENTERPRISES (TAIWAN), LTD., EVER WIN BAGS CO. AND GLORIEUX INDUSTRIAL LTD.

Judgment is hereby entered in favor of plaintiff Sunburst Products, Inc. and against defendants, Prosperous Enterprises (Taiwan) Ltd., Ever Win Bags Co., and Glorieux Industrial Ltd., jointly and severally, in the principal amount of $400,000 plus costs of $10,500 for a total of $410,500. This judgment is joint and several as to these defendants and CYRK International against whom a separate judgment with an injunction has been entered, with any satisfaction of

judgment to be applied pro tanto to reduce the liability of the other judgment debtors.

IT IS SO ORDERED.

Date: 11-16-94 /s/ Harry L. Hupp
Honorable Harry L. Hupp
United States District Court Judge

Submitted by:

SHELDON & MAK

By:_____
Howard L. Hoffenberg
Attorneys for Plaintiff
SUNBURST PRODUCTS, INC.
dba FREESTYLE U.S.A.

Dated: Nov 14, 1994

APPENDIX D

FILED
OCT 17 1994
CLERK U.S.DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

ENTERED
CLERK, U.S. DISTRICT COURT
OCT 18, 194
CENTRAL DISTRICT OF CALIFORNIA
BY CLERK

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SUNBURST PRODUCTS, INC. dba FREESTYLE U.S.A., a California corporation, Plaintiff, v. CYRK INTERNATIONAL, a corporation organized under the laws of an unknown state, Defendants.	) Case No. 93 6007) HLH (SHx))~~[Proposed Form of]~~) JUDGMENT ON) SPECIAL)VERDICT)AGAINST CYRK)INTERNATIONAL))TRIAL) Date: August 2, 1994) Time: 8:00 a.m.)Place: Crt 7 -- The)Hon. Harry L. Hupp

Pursuant to Federal Rules of Civil Procedure 49 and 58, this Court renders judgment in favor of plaintiff, Sunburst Products, Inc. d/b/a Freestyle U.S.A., against Defendant, CYRK International a/k/a CYRK, Inc. a/k/a CYRK

International, Inc., on the juries special verdict as stated herein:

THE JURY'S FINDINGS

The jury finds that:

1. The trade dress of plaintiff's Rear Gear brand waist pack was and is inherently distinctive.

2. The trade dress of plaintiff's Rear-Gear brand waist pack was not and is not functional.

3. The Marlboro Adventure Team waist pack was and is likely to cause confusion, mistake, or deception by substantial numbers of the buying public as to whether the product is Rear-Gear brand waist pack.

4. The infringement of plaintiff's trade dress rights was not done by CYRK with intent to pass off the Marlboro Adventure Team waist pack as a Rear-Gear brand waist pack.

5. The amount of $400,000 is awardable to plaintiff as damages as a result of the manufacture and distribution of the Marlboro Adventure Team waist pack after deducting a set-off of $520,000 for moneys paid by Philip Morris in settlement of plaintiff's claims of infringement from the Marlboro Adventure Team waist pack.

~~THE COURT'S FINDINGS OF FACT~~

~~In a separate document, the court has made findings of fact regarding equitable issues.~~

JUDGMENT AND ORDER

Now, therefore, judgment is entered in favor of plaintiff, Sunburst Products, Inc., and against defendant, CYRK International a/k/a CYRK, Inc. a/k/a CYRK International, Inc. as follows:

1. Sunburst shall recover from CYRK, monetary damages in the amount of $400,000 (being the net amount awarded by the jury after set off) ~~and the sum of $264,615 representing CYRK's additional profits pursuant to order of this court;~~

~~2. Sunburst shall recover from CYRK, prejudgment Interest at the prevailing rate from the dates of infringement by CYRK to Philip Morris;~~

3. Pursuant to 15 U.S.C. § 1116, defendants, and each of them, and their officers, agents, servants, employees and attorneys, and all persons that act in concert or participation with defendants who receive actual notice of this Judgment and Order by personal service or otherwise, are immediately and permanently enjoined and restrained from directly or indirect making, having made, advertising, promoting, importing, distributing, offering to sell or selling a pouch and bottle together, or separately, having the trade dress illustrated in Exhibits A and B attached hereto, and any colorable imitations, confusingly similar imitations to the waist packs illustrated in Exhibits A or B (hereafter "infringing goods").

~~4. Sunburst shall recover from CYRK, attorneys fees in an amount to be determined by motion.~~

5. Sunburst shall recover from CYRK costs in ~~an amount to be taxed~~ **the sum of $**_____.

JUDGMENT IS SO RENDERED.

Date: 10-17-94 /s/ HARRY L. HUPP

Honorable Harry L. Hupp
United States District Court

Submitted by:
SHELDON & MAK

By: /s/ Howard L. Hoffenberg
Howard L. Hoffenberg
Attorneys for Plaintiff
SUNBURST PRODUCTS, INC.
dba FREESTYLE U.S.A.

Date: Oct. 4, 1994

ATTACHMENTS ARE LODGED UNDER SEPARATE COVER

APPENDIX E

STATUTORY PROVISION INVOLVED

The United States statutory provision involved is 15 U.S.C. § 1125(a), 43(a) of the Lanham Act, which provides:

(a) Civil action; any person

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol or device, or any combination thereof, or any false designation of origin . . . which --

(A) is likely to cause confusion, or to cause mistake or to deceive as to the affiliation, connection or association of such person with another person or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Supreme Court, U.S.
FILED
MAR 17 1997
CLERK

No. 96-1295

In The

Supreme Court of the United States

October Term, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,

Petitioner,

vs.

CYRK INTERNATIONAL, PROSPEROUS ENTERPRISES (Taiwan Ltd.), EVERWIN BAGS CO., LTD. and GLORRIEUX INDUSTRIAL, LTD.,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF IN OPPOSITION

EDWARD R. SCHWARTZ
Counsel of Record
CHRISTIE, PARKER & HALE, LLP
350 West Colorado Boulevard
Suite 500
Pasadena, California 91105
(818) 795-9900
Attorneys for Respondent Cyrk International

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTIONS PRESENTED

Following a jury trial, the District Court entered judgment that Respondents had infringed the trade dress of Petitioner's waist pack under federal law. The Federal Circuit reversed the judgment, holding that the jury's finding that the product design was inherently distinctive was not supported by substantial evidence and that the District Court erred in not granting Respondent Cyrk's motion for judgment as a matter of law. Because Petitioner's framing of the questions is in part inaccurate, Respondent submits that the issues before the Court are more properly framed as follows:

1. Whether the Court should reweigh the evidence and testimony presented at trial and on appeal and reverse the holding of the Federal Circuit that the jury's finding that Petitioner's product design was inherently distinctive was not supported by substantial evidence.

2. Whether the Court should overrule its prior holdings that in order for trade dress to be found to be inherently distinctive there must be proof that the product design intrinsically identifies the particular source of the product rather than the product itself.

RULE 29.6 STATEMENT

Respondent, Cyrk International, presently known as Cyrk, Inc., has no parent company and no nonwholly owned subsidiaries.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

RULE 29.6 STATEMENT ii

STATEMENT OF THE CASE 1

A. Course of Proceedings and Disposition of the Case Below 1

B. Correction of Misstatements in the Petition .. 2

REASONS WHY THE PETITION SHOULD BE DENIED 5

SUMMARY OF THE ARGUMENT 5

ARGUMENT 7

I. SUNBURST'S CLAIMED NEED FOR ESTABLISHING A UNIFORM NATIONAL STANDARD FOR PROVING INHERENT DISTINCTIVENESS IS NONJUSTICIABLE BECAUSE THE PARTIES AGREE THAT THE DISTRICT COURT AND THE FEDERAL CIRCUIT APPLIED A CORRECT STANDARD..... 7

A. Sunburst's Appeal for a Uniform National Standard Is Irrelevant to the Present Case and Cannot Be a Compelling Reason to Grant Certiorari 7

B. Sunburst and Cyrk Disagree on the Nature, Quality, and Quantity of Evidence Presented by Sunburst to Demonstrate the Inherent Distinctiveness of its Claimed Trade Dress..... 9

TABLE OF CONTENTS – Continued

Page

C. Granting Sunburst's Petition Would Violate the Court's Long-standing Tradition of Resolving Cases or Controversies Based on Actual Conflicts of Law Rather than Conflicts over the Application of Accepted Law to Disputed Facts..... 10

D. Sunburst's Claim That There Exists a "Real and Embarrassing" Conflict Among the Courts of Appeal Over the Standard for Inherent Distinctiveness Is Exaggerated and Confuses Differences in the Evidentiary Approaches Used by Courts with Differences Due to Varying Legal Standards.... 12

1. All appellate decisions cited by Sunburst adhere to the basic test underlying the *Two Pesos* inherent distinctiveness analysis: does the claimed trade dress inherently act as a source identifier..... 12

2. The existence of different evidentiary approaches used by courts does not provide a compelling reason to grant certiorari..... 16

II. BECAUSE THE FEDERAL CIRCUIT ACTED WELL WITHIN ITS SCOPE OF APPELLATE REVIEW AND IN ACCORDANCE WITH THE DECISIONS OF THIS COURT, THE EXERCISE OF THIS COURT'S SUPERVISORY POWERS WOULD WASTE PRECIOUS JUDICIAL RESOURCES..... 18

TABLE OF CONTENTS – Continued

Page

A. The Federal Circuit Applied a Legal Standard for Inherent Distinctiveness That Is Agreed to by Both Parties, Accepted in the Ninth Circuit, and in Complete Accordance with this Court's Decision in *Two Pesos* ... 18

B. The Federal Circuit Properly Exercised its Power of Appellate Review by Ruling That Sunburst Had Not Proven That its Trade Dress Was Inherently Distinctive 20

III. CONCLUSION..... 25

APPENDIX A

JOINT APPENDIX, EXCERPTS, UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT A1

TABLE OF AUTHORITIES

Page

CASES

Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2nd Cir. 1976) 14, 15, 17, 18

Bonito Boats, Inc. v. Thunder Crafts Boats, Inc., 489 U.S. 141 (1989) 23

Chevron Chemical Co. v. Voluntary Purchasing Groups, 659 F.2d 695 (5th Cir. 1981) 15, 18

Computer Care v. Service Systems Enterprises, 982 F.2d 1063 (7th Cir. 1992) 15

Devan Designs, Inc. v. Palliser Furniture Corp., 27 U.S.P.Q. 2d 1399 (4th Cir. 1993) 15

Duraco Products v. Joy Plastic Enterprises, Ltd., 40 F.3d 1431 (3rd Cir. 1994) 14, 17

EFS Marketing v. Russ Berrie & Co., Inc., 76 F.3d 487 (2nd Cir. 1996) 13

Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260 (Fed. Cir. 1995) 15

International Jensen v. Metrosound U.S.A., 4 F.3d 819 (9th Cir. 1993) 15, 18

Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844 (1982) 13

Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27 (2nd Cir. 1995) 15

Knitwaves, Inc. v. Lollytogs Ltd., Inc., 71 F.3d 996 (2nd Cir. 1995) 13

TABLE OF AUTHORITIES – Continued

Page

Krueger International, Inc. v. Nightingale, Inc., 915 F. Supp. 595 (S.D. N.Y. 1996) 23

L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., Inc., 79 F.3d 258 (2nd Cir. 1996) 13

Mana Products v. Columbia Cosmetics Manufacturing, 65 F.3d 1063 (2nd. Cir. 1995) 15

New York Racing Association v. Perlmutter Publishing, Inc., 1996 U.S. Dist. LEXIS 11764 (N.D. N.Y. 1996) 14

Paddington Corp. v. Attiki Importers & Distributing, 996 F.2d 577 (2nd Cir. 1993) 15

In re R.M. Smith, Inc., 734 F.2d 1482 (Fed. Cir. 1984) 23

Rubbermaid Commercial Products, Inc. v. Contico International, Inc., 836 F. Supp. 1247 (W.D. Va. 1993) 23

Seabrook Foods, Inc. v. Bar-Well Foods Ltd., 568 F.2d 1342, 196 U.S.P.Q. 289 (CCPA 1977) ..... *passim*

Stuart Hall Co. v. Ampad Corp., 51 F.3d 780 (8th Cir. 1995) 15, 17

Sumner v. Mata, 449 U.S. 539 (1981) 11

Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654 (7th Cir. 1995) 14

Tone Brothers v. Sysco Corp., 28 F.3d 1192 (Fed. Cir. 1994) 15, 17, 19

Topps Company, Inc. v. Gerrit J. Verburg Co., 1996 U.S. Dist. LEXIS 18556 (S.D. N.Y. 1996) 13

TABLE OF AUTHORITIES – Continued

Page

Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992) ..... *passim*

United States v. Johnston, 268 U.S. 220 (1925)..... 11

Versa Products Co. v. Bifold Co., 50 F.3d 189 (3rd Cir. 1995)..... 24

Vornado Air Circulation Systems v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995), mot. granted, cert. denied, ___ U.S. ___, 116 S. Ct. 753 (1996) 15

STATUTES

15 U.S.C. Section 1127 13

Sup. Ct. R. 10 (1995) 11

Sup. Ct. R. 15.2 (1995)..... 2

BRIEF IN OPPOSITION

Respondent, Cyrk International ("Cyrk"), respectfully opposes the petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit ("Federal Circuit"). No special and important reason exists that would justify a review on writ of certiorari.

STATEMENT OF THE CASE

A. Course of Proceedings and Disposition of the Case Below.

Petitioner, Sunburst Products, Inc. ("Sunburst") seeks to have this Court review the decision of the Federal Circuit which reversed the judgment of the United States District Court for the Central District of California ("District Court"). The District Court entered judgment against Cyrk and its suppliers based on jury findings in a special verdict. In reversing the District Court judgment, the Federal Circuit found that the District Court erroneously failed to grant Cyrk's motion for judgment as a matter of law.[1] In reaching its decision, the Federal Circuit concluded that on the record before it, Sunburst presented no

[1] In its motion for judgment as a matter of law, Cyrk asserted that there was insufficient evidence to support jury findings that the Sunburst waist pack design was inherently distinctive and nonfunctional. Cyrk also asserted that there was no evidentiary basis for an award of damages in the absence of proof of actual confusion or deception or intent to trade on Sunburst's goodwill.

The District Court did not grant Cyrk's motion and Cyrk raised on appeal each of the issues asserted in the motion for

evidence that its waist pack design or features would inherently identify it as the source of the goods and therefore the jury's finding that the Sunburst design was inherently distinctive was not supported by substantial evidence.

B. Correction of Misstatements in the Petition.

The opinion of the Federal Circuit correctly sets forth the facts of this case. The opinion accurately depicts the absence of evidentiary support for the jury's finding that the Sunburst waist pack was inherently distinctive.

Pursuant to United States Supreme Court Rule 15.2, Cyrk brings the following misstatements of facts contained in Sunburst's petition to the Court's attention.

Sunburst misstates the findings of the Federal Circuit by stating in the first of its "Questions Presented" that its design was "held to be novel, unique, unusual and even memorable by the Court of Appeals for the Federal Circuit." (Petition at i.) The Federal Circuit made no such holding. Rather, the Federal Circuit stated in *dicta* there was evidence to show that Sunburst's design *may* have been unique, unusual or memorable in this field but made no holding that there was sufficient evidence to prove such qualities. (Petition, Appendix B at B-11-12.)

---

judgment as a matter of law. Since the Federal Circuit's decision that the lack of evidentiary support of the jury finding of inherent distinctiveness was dispositive of the appeal, the other bases of Cyrk's appeal have not as yet been addressed by the Federal Circuit.

Sunburst erroneously states that "[t]he Federal Circuit did not give weight to the presumption of distinctiveness applied in the Ninth Circuit when there is evidence of actual copying which remains unrebutted by evidence showing a legitimate justification for the copying." (Petition at 26.) This assertion is misleading for two reasons. First, Sunburst never asserted this legal proposition either at trial or on appeal.[2] Further, the appellate record plainly showed substantial evidence of justification for Cyrk's copying of Sunburst's waist pack design – Cyrk personnel with years of experience in the waist pack field did not consider Sunburst's design to be distinctive or proprietary and patent counsel had advised that the design could be copied. (A5-14, A17.)[3]

Sunburst misstates to this Court the evidence and testimony presented at trial which it contends supports the jury finding of inherent distinctiveness as follows:

1. Sunburst's designers did not testify that they studied the universe of existing waist packs in connection with their design of the Sunburst waist pack design as

---

[2] Further, Sunburst did not object to the only instruction given to the jury concerning copying:

> The law permits imitation and copying of trade dress that is not inherently distinctive and has not acquired secondary meaning associating the product with a particular source. Competitors may intentionally copy wholly functional product features and trade dress which lacks secondary meaning or is not inherently distinctive.

[3] Excerpts from the appellate record appendix are attached hereto as Appendix A. (The Court's attention is directed to the bracketed sections of the excerpts.)

alleged by Sunburst. (Petition at 4.) Rather, the designers actually testified that they merely discussed different concepts "to come up with the optimum design." (A1-2.)

2. Although Sunburst claims it introduced hundreds of designs of luggage articles, including about 80 waist packs (Petition at 4), Sunburst fails to inform the Court that all of these articles had ceased being on the market years before design of Sunburst's waist pack and therefore were not indicative of market conditions at the time Sunburst's waist pack was designed. (A15-16.)

3. Sunburst asserts that it presented copies of sports magazines highlighting the uniqueness of its waist pack design (Petition at 4). However, no such evidence or testimony was included in the appellate record appendix and therefore such evidence (the existence of which is contested by Cyrk) was not before the Federal Circuit.

4. Sunburst incorrectly asserts that Cyrk intentionally copied the Sunburst design knowing that the waist pack and bottle design was unique to Sunburst (Petition at 5). Rather, the uncontroverted testimony showed that Cyrk never thought the waist pack was proprietary and that it was advised by patent counsel that there was no existing patent on the waist pack (or the bottle) and that there were no problems in copying the waist pack design. (A5-14, A17.)

5. Sunburst falsely states that it "introduced evidence of independent sales representatives who testified" that they inquired concerning the source of the Cyrk waist pack (Petition at 5). In fact, no independent sales representatives testified at trial. Rather, Sunburst presented only testimony of two of its employees concerning

statements purportedly made by two unnamed independent sales representatives. (A3-4, A18-19.)

REASONS WHY THE PETITION SHOULD BE DENIED

SUMMARY OF THE ARGUMENT

In its petition for writ of certiorari, Sunburst relies upon two arguments: 1) a conflict exists among the circuit courts concerning a legal standard in trademark law; and 2) the Court of Appeals for the Federal Circuit has entered a decision which calls for an exercise of this Court's supervisory powers. Sunburst's arguments are not sufficiently compelling to warrant a grant of certiorari by this Court.

Sunburst's first reason for review seeks resolution of a legal issue which is not controverted in this case. Although Sunburst has framed its petition in terms of resolving a "split among the Circuits" regarding the standard for evaluating inherently distinctive trade dress, this legal issue is not and has never been a source of controversy in this case. Both parties, the trial court, and the Federal Circuit agree on the standard for evaluating inherently distinctive trade dress. As such, Sunburst's "split among the Circuits" argument is wholly irrelevant to the case at hand.

Furthermore, Sunburst ignores that courts are remaining true to the dictates of *Two Pesos* and the Lanham Act by extending protection to product configuration trade dress if it is inherently distinctive as required by this Court. All cases cited by Sunburst agree that for

trade dress to be inherently distinctive it must intrinsically function as a source identifier. Although different evidentiary approaches exist in evaluating the intrinsic nature of the claimed trade dress, different approaches do not indicate a "split among the Circuits" warranting this Court's urgent attention.

Sunburst also argues that the Federal Circuit did not follow Ninth Circuit law or Supreme Court precedent and substituted its own judgment for that of the jury verdict, thereby requiring this Court to exercise its supervisory powers. In reality, Sunburst is attempting to transform a dispute over facts into a dispute over legal standards. The Federal Circuit applied a legal standard for evaluating inherent distinctiveness which is in accordance with Ninth Circuit law and Supreme Court precedent and, significantly, to which both parties expressly agreed. The Federal Circuit reversed the trial court judgment because it found, under a substantial evidence standard of review, that Sunburst did not present sufficient evidence to prove its claimed trade dress is inherently distinctive under the very standard which Sunburst had proposed. While Sunburst charges that the Federal Circuit improperly refused to presume Sunburst's alleged trade dress had any association with product source, Sunburst fails to recognize that a court may not presume association unless the party claiming trade dress protection submits evidence establishing the source identifying nature or status of its trade dress. Because Sunburst did not present sufficient evidence of inherent distinctiveness, the Federal Circuit found that Sunburst had not met its burden of proving that its trade dress was inherently distinctive.

In sum, Sunburst's two arguments do not provide a compelling reason for this Court to entertain a factual dispute with no national or jurisprudential significance[4]. This Court should deny Sunburst's petition for writ of certiorari.

ARGUMENT

I. SUNBURST'S CLAIMED NEED FOR ESTABLISHING A UNIFORM NATIONAL STANDARD FOR PROVING INHERENT DISTINCTIVENESS IS NONJUSTICIABLE BECAUSE THE PARTIES AGREE THAT THE DISTRICT COURT AND THE FEDERAL CIRCUIT APPLIED A CORRECT STANDARD.

A. Sunburst's Appeal for a Uniform National Standard Is Irrelevant to the Present Case and Cannot Be a Compelling Reason to Grant Certiorari.

Sunburst devotes a majority of its petition to an analysis of each circuit's legal standard for evaluating the inherent distinctiveness of trade dress and eventually concludes that this Court should grant certiorari because a uniform national standard is needed. However, the legal standard for evaluating the inherent distinctiveness of trade dress has never been at issue in this case. Therefore, as a basis for appeal, Sunburst's uniform national standard argument is irrelevant and fails to establish a compelling reason for granting certiorari.

---

[4] Indeed, the appellate decision is unpublished and nc. citable as precedent.

The parties agree on the appropriate legal standard for evaluating inherently distinctive trade dress.[5] Sunburst expressly notes in its Petition that the standard for evaluating inherent distinctiveness was agreed to by both parties during trial and was adopted by the Federal Circuit:

> "The Federal Circuit noted that the jury instruction given on inherent distinctiveness was not challenged by either party and was properly drawn from *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344, 196 U.S.P.Q. 289, 291 (CCPA 1977) . . . The Federal Circuit noted that this instruction was consistent with Ninth Circuit precedent." Petition at 6.

Previously, in its Brief in Opposition to Cyrk's Appeal to the Federal Circuit, Sunburst actively promoted the *Seabrook* test. Opposition Brief at 18. Sunburst applied the factors cited in the *Seabrook* test to the evidence it presented at trial. *Id.* at 36-37. Cyrk also recognized that the *Seabrook* test is the appropriate governing legal standard

---

[5] Both parties agreed to the following jury instruction:

> A trade dress is inherently distinctive if its design, shape or combination of elements is so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of origin. Factors to be considered in determining whether a trade dress is inherently distinctive includes whether the trade dress is a common basic shape or design, whether it is unique or unusual in a particular field, and whether it is a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for goods.

and provided jury instructions based upon the *Seabrook* test. Cyrk's Appeal to the Federal Circuit at 25-26. Despite Sunburst's present allegation that the Federal Circuit did not follow this Court's decision in *Two Pesos* or Ninth Circuit precedent, (Petition at 24-26), the Federal Circuit expressly stated its approval of *Seabrook* and based its decision upon the failure of Sunburst to meet the *Seabrook* test. (Petition, Appendix B at B-12.) ("Sunburst failed to present relevant evidence concerning any of the other factors identified in *Seabrook*.") Thus, throughout the litigation, all parties and all courts have accepted and promoted the use of the *Seabrook* test.

In light of the parties' acceptance of a single legal standard for evaluating the inherent distinctiveness of trade dress, Sunburst's argument based on its perceived conflict among the circuits is completely irrelevant. The case at hand simply does not incorporate the alleged conflict. As such, this Court should find that Sunburst's conflict among the circuits argument does not provide any reason, much less a compelling one, for this Court to grant certiorari.

B. Sunburst and Cyrk Disagree on the Nature, Quality, and Quantity of Evidence Presented by Sunburst to Demonstrate the Inherent Distinctiveness of its Claimed Trade Dress.

The actual controversy being appealed centers on the nature, quality, and quantity of evidence presented by Sunburst and whether that evidence is sufficient to support a finding of inherent distinctiveness under the accepted *Seabrook* inherent distinctiveness analysis.

Sunburst believes that its presentation of third party luggage and waist packs which had not been on the market for several years, the presence of an internal "distinctive" component that is not readily visible to the consumer, a design patent, magazine reviews, and testimony regarding the intent of its waist pack designers is enough to sustain a finding of inherent distinctiveness. *See* Petition at 27.

Cyrk maintains, and the Federal Circuit agrees, that Sunburst's evidence fails to adequately address any of the factors listed in the *Seabrook* test and, therefore, as a matter of law, is not sufficient to support a finding of inherent distinctiveness. *See* Petition, Appendix B at B11-12.

Plainly, this case does not involve a controversy concerning applicable law. Rather the foregoing factual dispute is the true essence of Sunburst's petition for writ of certiorari. *See* Petition at 26 (Sunburst claims that the Federal Circuit "ignored evidence of record and wrongly substituted its judgment with respect to factual findings for the judgment of the jury in the case").

C. Granting Sunburst's Petition Would Violate the Court's Long-standing Tradition of Resolving Cases or Controversies Based on Actual Conflicts of Law Rather than Conflicts over the Application of Accepted Law to Disputed Facts.

Sunburst's appeal has no jurisprudential significance for two reasons. First, as demonstrated in Sections I.A. and I.B. *supra*, the parties disagree solely over the application of accepted law to disputed facts. A resolution of

this factual dispute would require this Court not to interpret law, but to make a third set of factual findings, an activity this Court has historically refused to do.

As stated in Rule 10 of the Supreme Court Rules, "[a] petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law." *Sup. Ct. R. 10 (1995)*. The Court has, on numerous occasions, reaffirmed this general policy. See *Sumner v. Mata*, 449 U.S. 539, 543 (1981) (In cases without significant policy implications, the mere fact "an appellate court reached an opposite conclusion from a trial court . . . is little reason for invocation of this Court's discretionary jurisdiction to make a third set of findings."); *see also United States v. Johnston*, 268 U.S. 220, 227 (1925) ("We do not grant a certiorari to review evidence and discuss specific facts.").

In addition, because there is no controversy in this case concerning a standard for evaluating inherent distinctiveness, the Court would be acting in an advisory role if it granted certiorari to address Sunburst's "split among the Circuits" argument. Therefore, given the nature of this case, the Court should refrain from granting certiorari and embroiling itself in a factual dispute of no judicial or national significance.

D. Sunburst's Claim That There Exists a "Real and Embarrassing" Conflict Among the Courts of Appeal Over the Standard for Inherent Distinctiveness Is Exaggerated and Confuses Differences in the Evidentiary Approaches Used by Courts with Differences Due to Varying Legal Standards.

1. All appellate decisions cited by Sunburst adhere to the basic test underlying the *Two Pesos* inherent distinctiveness analysis: does the claimed trade dress inherently act as a source identifier.

In arguing that the split among the Circuits regarding the standard for evaluating the inherent distinctiveness of trade dress "has reached embarrassing heights", (Petition at 18-19), Sunburst fails to recognize that, in fact, the Circuits agree on the fundamental legal standard: does the claimed trade dress inherently act as a source identifier. This standard was firmly established in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) and is in complete accordance with the Lanham Act. Thus, Sunburst's split among the Circuits argument is incomplete, overblown and inaccurate.

In *Two Pesos*, this Court concluded that since the Lanham Act did not differentiate between trade dress and other forms of trademarks, distinctive, nonfunctional trade dress may be protected under section 43(a). *Id.* at 774-775. The distinctiveness element in the protectability analysis insures that the claimed trade dress actually does or inherently can act as a source identifier, as required by the Lanham Act. *Id.* at 768-769; see *Id.* at 773 (The general rule applicable to trademarks is whether the mark "is

capable of identifying products or services as coming from a specific source".); *see* 15 U.S.C. section 1127 (A trademark is a device used by any person "to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of goods") *see also Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851, n.ll (1982) (in order to establish distinctiveness of product trade dress, a manufacturer must show that "the primary significance of a product feature or term is to identify the source of the product rather than the product itself."). Inherent distinctiveness, a subsection of the distinctiveness element, tests whether the trade dress by its "intrinsic nature serves to identify a particular source of a product." *Two Pesos*, 505 U.S. at 768 (emphasis added); *see also Id.* at 772 (Inherently distinctive marks are "inherently capable of distinguishing the goods of the users."). Thus, the legal standard for determining if a claimed trade dress is inherently distinctive and therefore protectable, focuses on whether the intrinsic nature of the trade dress serves to act as a source identifier.

As demonstrated by the cases cited by Sunburst in its petition, the foregoing basic legal standard is followed in all of the Circuits.

The Second Circuit has repeatedly stated that trade dress is inherently distinctive if it "is likely to serve primarily as a designator of origin of the product." *EFS Marketing v. Russ Berrie & Co., Inc.*, 76 F.3d 487 (2nd Cir. 1996); *L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., Inc.*, 79 F.3d 258 (2nd Cir. 1996); *see Knitwaves, Inc. v. Lollytogs Ltd., Inc.*, 71 F.3d 996 (2nd Cir. 1995); *see Topps Company, Inc. v. Gerrit J. Verburg Co.*, 1996 U.S. Dist. LEXIS

18556 (S.D. N.Y. 1996) (quoting *EFS Marketing*); *see New York Racing Association v. Perlmutter Publishing, Inc.*, 1996 U.S. Dist. LEXIS 11764 (N.D. N.Y. 1996).

In *Duraco Products v. Joy Plastic Enterprises, Ltd.*, 40 F.3d 1431, 1451 (3rd. Cir. 1994), the Third Circuit developed a three pronged evidentiary approach which includes whether the product configuration is likely to serve primarily as a designator of origin of the product. *Duraco*, 40 F.3d at 1449. *See also Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 657-659 (7th Cir. 1995) (accepting the *Duraco* test for product configuration cases).

Similarly, both the categorical[6] and market[7] approaches to evaluating the inherent distinctiveness of trade dress discussed in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2nd Cir. 1976) and *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342 (C.C.P.A. 1977) respectively, operate on the same basic principle, specifically, does the claimed trade dress intrinsically act as a source identifier. See *Abercrombie*, 537 F.2d at 11 ("fanciful and arbitrary terms enjoy all the rights awarded to suggestive marks – without the need of debating whether the term is 'merely descriptive'."); *see Seabrook*, 568 F.2d at 1344 ("The threshold question is whether the [claimed trade dress] functions . . . in identifying and distinguishing the goods of Seabrook.").

---

[6] The categorical approach refers to the five possible categories, generic, descriptive, suggestive, fanciful, and arbitrary, into which a trademark can be placed.

[7] The market approach focuses on whether the product, relative to the market, has an intrinsic, source-identifying purpose.

Numerous of the cases referenced by Sunburst cite approvingly to one or both approaches and, therefore, adopt the approaches same basic operating principle. *See Computer Care v. Service Systems Enterprises*, 982 F.2d 1063, 1069 (7th Cir. 1992) (stating that trade dress is inherently distinctive if it is arbitrary or suggestive, i.e., sufficiently distinctive to act as a source-identifier.); *see Devan Designs, Inc. v. Palliser Furniture Corp.*, 27 U.S.P.Q.2d 1399, 1400 (4th Cir. 1993) (accepting *Abercrombie*); *see Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260, 1264 (Fed. Cir. 1995), *cert. denied*, ___ U.S. ___, 116 S. Ct. 277 (1995) (after stating that "[t]rade dress is inherently distinctive when, by its 'intrinsic nature,' it identifies the particular source of a product", the court applied the *Seabrook* evidentiary approach to evaluate the trade dress.); *see International Jensen v. Metrosound U.S.A.*, 4 F.3d 819, 824 (9th Cir. 1993) ("A mark or dress is distinctive when it identifies the particular source of the product or distinguishes it from other products."); *see Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 31 (2nd Cir. 1995) (accepts *Abercrombie*); *see Mana Products v. Columbia Cosmetics Mfg.*, 65 F.3d 1063, 1069 (2nd. Cir. 1995) (accepts *Abercrombie*); *see Chevron Chemical Co. v. Voluntary Purchasing Groups*, 659 F.2d 695, 702 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982); *see Paddington Corp. v. Attiki Importers & Distrib.*, 996 F.2d 577, 583 (2nd Cir. 1993) (accepts *Abercrombie*); *see Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 785 (8th Cir. 1995) (accepts *Abercrombie*); *see Tone Bros. v. Sysco Corp.*, 28 F.3d 1192, 1205 (Fed. Cir. 1994), *cert. denied*, ___ U.S. ___, 115 S. Ct. 1356 (1995) (accepts both the *Abercrombie* and *Seabrook* evidentiary approaches); *see Vornado Air Circulation Systems v. Duracraft Corp.*, 58 F.3d 1498, 1502 (10th Cir. 1995),

mot. granted, cert. denied, ___ U.S. ___, 116 S. Ct. 753 (1996) (finding that trade dress is inherently distinctive if "their intrinsic nature is such to 'almost automatically tell a customer that they refer to a brand' ".).

The Circuits' common approach to trade dress law is vastly different from the state of the law prior to this Court's *Two Pesos* decision. Previously, a split among the Circuits existed regarding the basic protectability of trade dress, thereby calling for a uniform interpretation of the Lanham Act. See *Two Pesos,* 505 U.S. at 772-773. Now, whatever differences exist among the Circuits is not found in the fundamental protectability of trade dress but only in what evidentiary approach should be used to best evaluate the "intrinsic nature" of the claimed trade dress. As such, Sunburst's claim that the "regional circuit courts of appeal and the Federal Circuit are clearly lost" (Petition at 18) is more hyperbole than rational argument and would not be a compelling reason for granting certiorari even if this case involved a dispute over the proper evidentiary standard, which it does not. *See* Sections I.A. and I.D.2., *infra.*

2. The existence of different evidentiary approaches used by courts does not provide a compelling reason to grant certiorari.

Differences among the Circuits in how best to evaluate the intrinsic, source-identifying nature of trade dress are limited to specific fact scenarios and are not as widespread as claimed by Sunburst. Specifically, as demonstrated in Section I.D. *supra,* the three evidentiary

approaches which exist, the market approach (*Seabrook*), the categorical approach (*Abercrombie*) and the *Duraco* approach (*Duraco Products*), all accept the fundamental protectability test for evaluating inherent distinctiveness, i.e., the trade dress must intrinsically act as a source-identifier. They differ only in what factors should be used by a court to evaluate the intrinsic nature of a claimed product configuration trade dress. *See Duraco*, 40 F.3d 1448-1451; *see Abercrombie*, 537 F.2d at 9; *see Seabrook*, 568 F.2d at 1344-1345.

These differences, however, do not rise to the level of a "real and embarrassing conflict" among the Circuits. First, this Court's ruling in *Two Pesos* did not prohibit the use of varying evidentiary approaches to determine the inherent distinctiveness of trade dress. See *Two Pesos*, 505 U.S. at 764-776; *see also Duraco*, 40 F.3d at 1442. Second, more than one evidentiary approach has been used by a single court in a single case. *See Tone Bros.*, 28 F.3d at 1205 (accepting the use of *Abercrombie* and *Seabrook*); *see Stuart Hall*, 51 F.3d at 786-788 (accepting the use of *Abercrombie* and *Seabrook* but rejecting *Duraco*). Finally, Sunburst itself recognizes that more than one approach can be validly employed in evaluating trade dress. See Petition at 21-22 (Sunburst acknowledges the difference between the *Abercrombie* and *Seabrook* approaches but believes both qualify as valid approaches under the *Two Pesos* decision.).

What Sunburst's "split among the Circuits" argument really amounts to is concern over the use of the *Duraco* test to evaluate product configurations. However, considering the fact that the *Duraco* test was not applied by the Federal Circuit in this case, Sunburst's "split among the

Circuits" argument fails to establish a compelling reason for granting certiorari.

II. BECAUSE THE FEDERAL CIRCUIT ACTED WELL WITHIN ITS SCOPE OF APPELLATE REVIEW AND IN ACCORDANCE WITH THE DECISIONS OF THIS COURT, THE EXERCISE OF THIS COURT'S SUPERVISORY POWERS WOULD WASTE PRECIOUS JUDICIAL RESOURCES.

A. The Federal Circuit Applied a Legal Standard for Inherent Distinctiveness That Is Agreed to by Both Parties, Accepted in the Ninth Circuit, and in Complete Accordance with this Court's Decision in *Two Pesos*.

Although Sunburst presently argues that the Federal Circuit did not follow Ninth Circuit or Supreme Court precedent in evaluating the inherent distinctiveness of its trade dress, Sunburst expressly notes that the parties and the Federal Circuit adopted and approved of the *Seabrook* approach at trial. Petition at 6. Because the *Seabrook* approach is in complete accordance with *Two Pesos* as well as Ninth Circuit precedent, the exercise of this Court's supervisory powers is not required and no compelling reason exists to grant certiorari.

Seabrook is a test which the Federal Circuit and Sunburst itself recognize is in accordance with Ninth Circuit law and Supreme Court precedent. *See* Petition, Appendix B, at B9-10 (claiming the *Seabrook* test accords with Ninth Circuit law as expressed in *International Jensen*, 4 F.3d at 824); *see* Petition at 21-22 (Sunburst argues that the *Abercrombie*, *Chevron*, and *Seabrook* tests, as opposed to the

Duraco test, are in accordance with this Court's decision in *Two Pesos*.). The Federal Circuit used the factors cited in the jury instruction and *Seabrook* in evaluating Sunburst's proofs.[8] Petition, Appendix B at B9-12. Thus, by using *Seabrook*, the Federal Circuit applied an appropriate approach in evaluating the alleged inherent distinctiveness of Sunburst's claimed trade dress.

Sunburst argues, however, that the Federal Circuit added a consumer recognition requirement to its evaluation of Sunburst's claimed trade dress under *Seabrook*. Petition at 17-18, 22, 24 ("the Federal Circuit failed to recognize that no proof of secondary meaning or association as to source is required for inherently distinctive trade dress because the association between trade dress and source is presumed."). Sunburst, however, has misinterpreted the Federal Circuit's opinion and is attempting to transform the Federal Circuit's critique of Sunburst's evidentiary showing into a misstatement of law.

Specifically, as a matter of law, the association between source and trade dress may only be presumed once sufficient evidence that the trade dress has an intrinsic source-identifying function is presented by the party claiming protection. *See Two Pesos*, 505 U.S. 773-774 (once a trademark or trade dress is shown to be inherently

---

[8] The Federal Circuit has historically noted that *Seabrook* is binding precedent which should be used in evaluating the inherent distinctiveness of trade dress. See *Tone Bros.*, 28 F.3d at 1205 (recognizing the *Seabrook* factors were established by the Federal Circuit's predecessor court, the Court of Customs and Patent Appeals, and govern the inherent distinctiveness analysis).

distinctive, then proof of consumer recognition is unnecessary because the law presumes an association between source and the dress or mark.). Here, the Federal Circuit has stated that Sunburst did not submit enough evidence to deserve that presumption. *See* Petition, Appendix B at B11 ("Petitioner presented no evidence that its design or features would inherently identify it as to the source of the goods."). Expounding further, the Federal Circuit stated that, while some evidence exists that the product may be unusual, most of what Sunburst presented was not "relevant evidence concerning any of the other factors identified in *Seabrook* and the jury instruction". *Id.* at B-12. In sum, the Federal Circuit was not applying a different standard of law, but rather, the proper standard of law to facts which simply do not support a finding of inherent distinctiveness.

B. The Federal Circuit Properly Exercised its Power of Appellate Review by Ruling That Sunburst Had Not Proven That its Trade Dress Was Inherently Distinctive.

The essence of Sunburst's petition is whether the Federal Circuit was correct in finding that there was insufficient evidence of inherent distinctiveness to uphold the jury finding. Sunburst argues that the following evidence is sufficient to uphold the trial court jury verdict.

> The evidence included the testimony of the designers; hundreds of designs of luggage articles, including about 80 waist packs; articles in sports magazines pointing to the novelty and uniqueness of the REAR GEAR design; the fact

> of an issued design patent; admissions by the defendant that the bottle included in the claimed trade dress is distinctive; admissions by the defendant that it intentionally copied the claimed trade dress, and evidence of actual confusion by sophisticated sales representatives familiar with the trade dress. Petition at 27-28.

As shown below, the foregoing evidence is not probative of inherent distinctiveness or relevant to any of the *Seabrook* factors. Further, Sunburst is now misrepresenting the extent of actual proof it submitted during trial and on appeal.

Sunburst did not provide any evidence that its product design was unique or novel relative to the relevant marketplace. Sunburst claims that it introduced "hundreds of designs of luggage articles, including about 80 waist packs" and submitted "articles in sports magazines pointing to the novelty and uniqueness of the REAR GEAR design". (Petition at 4). However, the luggage and waist pack designs submitted by Sunburst were not indicative of the market at the time the alleged trade dress entered the market because they were last sold years before the design of Sunburst's waist pack. (A15-16). To demonstrate distinctiveness, Sunburst cannot be allowed to reach back in time, analyze a different market, and claim distinctiveness relative to that different market. Rather, Sunburst's evidence of novelty and uniqueness must relate to market conditions at the time the alleged trade dress entered the waist pack market. See *Seabrook*, 568 F.2d at 1345 (to determine whether a trademark is inherently distinctive enough to be presumed a source-identifier, the court reviews concurrent third party uses

of similar marks.). Additionally, Sunburst's claim that it submitted articles which establish the uniqueness of the trade dress is irrelevant because Sunburst did not include the articles or testimony concerning the articles in the appellate record appendix. As such, Sunburst's argument that these articles support a finding of inherent distinctiveness has been waived.

Sunburst also claims that its designers studied the universe of existing waist packs while designing the Sunburst waist pack. (Petition at 4). However, the designers' actual testimony proves that they did not study the universe of existing waist packs but merely discussed different concepts "to come up with the optimum design". (A1-2). Thus, any suggestion that Sunburst made a concerted attempt to create a source-identifying design in view of existing competitive designs is unsupported.

In addition to providing no evidence demonstrating novelty or uniqueness of its claimed trade dress relative to the relevant marketplace, Sunburst also erroneously relies on other evidence, specifically an issued design patent, intentional copying, and allegations of actual confusion, to supply some indicia of inherent distinctiveness. As a matter of law, Sunburst's evidence is either unreliable or irrelevant to the inherent distinctiveness analysis.

First, Sunburst argues that its evidence of independent sales representatives' confusion over whether Sunburst had sourced the waist packs distributed by Phillip Morris should be considered proof of inherent distinctiveness. (Petition at 5). Sunburst, however, did not provide actual testimony of sales representatives (or of any consumers or retail store owners) but rather relied on

the testimony of two of its employees concerning what the unidentified sales representatives had purportedly said to them. (A3-4, A18-19). Such evidence is highly unreliable and cannot be considered sufficient proof of inherent distinctiveness.

Furthermore, while Sunburst claims a design patent is evidence that its design is novel and therefore distinct in a trademark sense, (Petition at 4) the Federal Circuit has clearly established that a design patent is not sufficient evidence of inherent distinctiveness. *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1485 (Fed. Cir. 1984). *See Krueger International, Inc. v. Nightingale, Inc.*, 915 F. Supp. 595, 605 (S.D. N.Y. 1996) (the existence of a design patent is irrelevant to distinctiveness of trade dress). *See, Rubbermaid Commercial Products, Inc. v. Contico International, Inc.*, 836 F. Supp. 1247, 1261 (W.D. Va. 1993) (a design may be sufficiently novel to merit a design patent but not be inherently distinctive because it does not suggest its source). Thus, as a matter of law, Sunburst's design patent does not establish distinctiveness in a trademark sense.

Having provided no direct proof establishing the protectability of its trade dress, Sunburst then argues that Cyrk's intentional copying of its design should be used as proof of inherent distinctiveness. (Petition at 5). It is well established, however, that a party may intentionally copy unprotected designs and that such copying is both permitted and encouraged by our principles of free market competition. *See Bonito Boats, Inc. v. Thunder Crafts Boats, Inc.*, 489 U.S. 141, 146 (1989) (a strong federal policy exists which favors free competition through the use of unprotected designs or ideas because "imitation and

refinement through imitation are both necessary to invention itself and the very lifeblood of a competitive economy".); *see also Vornado*, 58 F.3d at 1504 (in a review of Supreme Court precedents, the court found that the concept of a public domain "must prevail over unfair competition concerns about consumer confusion where those concerns arose solely from the product copying".); *see also Versa Products Co. v. Bifold Co.*, 50 F.3d 189, 207 (3rd Cir. 1995), *cert. denied.*, ___ U.S. ___, 116 S. Ct. 54 (1995) ("where product configurations are concerned, we must be especially wary of undermining competition. Competitors have broad rights to copy successful product designs when those designs are not protected."). The uncontroverted testimony at trial unequivocally showed that Cyrk personnel always considered Sunburst's waist pack design to be nondistinctive and non-proprietary because it merely comprised commonly used elements and because they had previously seen similar waist packs. Further, Cyrk had been advised by patent counsel that the Sunburst design was unprotected and could be copied. (A5-14, A17). Therefore, given the express policy permitting free market competition through the unrestricted use of unprotected designs, Cyrk's copying of the Sunburst design is not proof of inherent distinctiveness of the design.

As a final matter, Sunburst attempts to prove its alleged trade dress is distinctive by citing Cyrk's admission that Sunburst's kidney-shaped bottle, which is contained within the waist pack, is distinctive. (Petition at 4-5). As a matter of law, Sunburst's argument fails because the water bottle is not part of the claimed trade dress and, therefore, can not be used as evidence of trade

dress distinctiveness. Sunburst defined the scope of its alleged product configuration trade dress as covering "the waist pack identified in the complaint which is the subject of the '471 patent". (A20.) The '471 patent does not include the water bottle. (A21.) Obviously, Sunburst may not utilize distinctive items which are admittedly not part of its alleged trade dress as evidence of the distinctiveness of the trade dress itself.

III. CONCLUSION.

Sunburst's petition for a writ of certiorari should be denied. The decision for which review is sought is in accord with the established precedent of this Court. The decision was correctly decided. Finally, the issues raised by Sunburst are either irrelevant to the present case or are not sufficiently important to warrant this Court's review.

Respectfully submitted,

EDWARD R. SCHWARTZ
Counsel of Record
CHRISTIE, PARKER & HALE, LLP
350 West Colorado Boulevard
Suite 500
Pasadena, California 91105
Telephone: (818) 795-9900

APPENDIX A

* * *

earlier, we always try to be innovative and unique with what we do and be on the front end of design, and we felt that that design was getting to be a little stale. It was getting to be too common in the marketplace. So we decided that we would redesign it and try to improve it, keep the business good.

[Q What improvements were you seeking to achieve with the redesign?

A Well, there are certain benefits of the product that we really liked. We wanted to retain the bottle, and we wanted to be able to have a good pack. The most important thing for us was to get away from this "me too" type of a look, and so we wanted to have something that would separate us in the stores or when people were wearing them from everybody else. And we began a process, – it starts off with a product development meeting where we bring people in, and we just started the process of figuring different concepts and different ways we could improve the product and make it different looking than everyone else and have something that would be uniquely ours so we could go sell it to the marketplace.]

Q In your exhibit book, sir, could you turn to Exhibit Number 3? Can you identify what Exhibit Number 3 is, sir?

A That's the patent we received on the waist pouch, on the Rear Gear.

Q And how do you know that, sir?

* * *

[p. 93a] WALTER – DIRECT

A Are you referring to the design cycle that we went through?

A Yes.

[Q A team was formed within the corporation to put together the different ideas, the different concepts that we were all looking for. The people on this team were all sports people who are engaged in skiiing, cycling, running, swimming, hiking and so on. And as a result we pooled ideas and thoughts and tried to come up with the optimum design.]

Q Did the company come up with more than one design before it adopted the design of the new Rear Gear?

A There were many ideas and many concepts thrown around. And we – yes, we had several.

Q Did these various concepts and designs all incorporate a bottle suitable for carrying liquids and delivering it to consumers?

A Most of them incorporated a bottle of some sort.

Q And did these other designs include pockets or other places that personal items can be kept?

A Yes.

Q Were all these designs suitable for wearing around the waist?

A Yes.

* * *

* * *

in taking the mike back? And if you like you can move – if you're through with using the mike at that end of the jury box and are going to be using it down here you can move it down here.

MR. SONI: Would you please move it there?

(Pause)

THE COURT: Go ahead.

BY MR. SONI:

[Q Mr. Olmes, have you had any inquiries at all about the Philip Morris Marlboro Adventure Team product which is at issue in this case?

A Am I aware of it?

Q Yes.

A Yes, I am.

Q Have you received any inquiries about it at all?

A We received one inquiry from one of our reps in Florida shortly after I had seen the advertisement in a national publication which was a pullout advertisement for the Marlboro Rear Gear. Shortly after seeing that one of our reps from the East Coast called me and asked if we had produced that Rear Gear for Marlboro.]

Q Did – did you see that pullout advertisement yourself?

A Did I personally see the ad?

Q Yes.

A Yes, I did.

[p. 168] Q How did you come to see it?

A Well, because I'm involved in all the major sales of both companies and since I had no knowledge of that Rear Gear I was pretty darn irritated.

Q How did you come to see the advertisement –

THE COURT:,Tell you what. The witness's state of mind or reaction when he saw the advertisement is stricken and will be disregarded. Go ahead.

(Pause)

BY MR. SONI:

Q Is the sales rep that contacted you an employee of the company?

A She's an independent contractor. She is one of our reps but she's not an employee.

Q Have you received – do you have any knowledge of any other returns to your company of the Philip Morris fanny pack?

A I'm not aware of any other returns, no.

Q Would such returns be brought to your attention?

A In items that are returned in a very small percentage, whether it be our Ski Tote or any of our other items

* * *

* * *

the patent problem because sometimes it might not be the bottle itself, the original could also apply the patent by its special function which can fit into the fanny pack. So we would appreciate it if you could still check into this matter."

[Q Did you understand that to mean that the factory was concerned that the protection may not be limited to the bottle itself?

A No.

Q What did you understand this to mean?

A I understand this to be that there was a concern with the shape of the water bottle.

Q Referring you to the last two – last – second last sentence, and I will read it: "The originate could also applied the patent by its special function which can fit into the fanny pack."

What does that sentence mean to you?

A "The originate could also applied the patent by its special function which can fit into the fanny pack." She may have been talking about the backing to the bottle. There was a piece of foam that backed the bottle for insulation and we were talking to her about keeping the contoured shape of the bottle and – to the bag so that it would fit the body.

Q Did you investigate at all about any other features of [p. 39] the product other than the bottle to

determine if they were proprietary to Ski Tote or Freestyle?

A No, we didn't. We didn't think there was anything distinctive about anything else.

Q On what did you base that belief?

A Because there are components in that pack that are used amongst a multitude of fanny packs that we did not think were – was unusual.]

* * *

BY MR. SONI:

Q Like, that was not my question.

[Do you know of any other product in the marketplace that has the total look and appearance of the Ski Tote fanny pack?

A I have seen some more styles, yes.

Q Can you identify them?

A I have seen particularly, in my travels overseas, there

* * *

[p. 41] A To this particular bag?

Q Yes.

A Not other than what I've mentioned, no.]

Q Could you turn please, ma'am, to Exhibit 78.

MR. SONI: Your Honor, I would move to strike the testimony of the witness with respect to the product not sold in the United States, since it has no relevance.

THE COURT: Motion denied. The reason it is denied is because your question called for the answer that you got.

BY MR. SONI:

Q Could you identify, please, what Exhibit number 78 is.

[A Yes. This is a memo to the file written by Kathy McMahon at Philip Morris who at the time was the senior buyer for the Marlboro brand on the Adventure Team fanny pack.

Q And what is the date of this document?

A July 17th, 1992.

Q And does this relate to the fanny pack product?

A Yes, it does.

Q Could you read the materials that relate to the fanny pack product.

A Yes. "The pack was sent to Charles Glenn in Richmond patent office for a search. He has not found any registration currently existing on this item. He mentioned that Ski Tote, the company that makes the pack could have recently requested a [p. 42] patent on this item, but that information is secret until published. He did not foresee any problems with producing the pack."]

Q What was the date of this letter?

A July 17th, 1992.

Q Is this the first time that you received any kind of notification about the results of the search by Philip Morris?

A To my knowledge, from what I remember at the time, yes.

Q Referring back to Exhibit 14, if you could.

A Okay. Sure.

Q It's still in the same book, I believe.

Do you recall testifying –

THE COURT: The reference is to Exhibit?

MR. SONI: 14.

THE WITNESS: 14.

THE COURT: Thank you.

MR. SONI: I apologize, Your Honor, it's 13. Exhibit 13.

THE COURT: We had referred to this before. Is this one in the notebooks?

MR. SONI: Yes, Your Honor.

THE COURT: Fine. Go ahead.

MR. SONI: It's one that we have referred to before.

BY MR. SONI:

Q Do you recall in testifying about Exhibit 13, that you

* * *

* * *

A No, we did not.

Q Did anyone at Cyrk?

A No.

[Q At that meeting or any subsequent meeting, did you have concern that the waist pack, not the water bottle, I'm talking the waist pack, was a distinctive design?

A No, I did not.

Q Why not?

A To me it did not appear to be a distinctive design.]

Q You were asked by Mr. Soni to examine the features of that composite picture, which I believe is Exhibit 1113, but it's not marked.

THE COURT: Should be marked.

MR. SCHWARTZ: It is marked?

MR. SONI: It is now.

THE COURT: Yes. I had the number written on it by one of the paralegals. 1113.

BY MR. SCHWARTZ:

[Q Would you again identify the features there and tell me – you went through them all with Mr. Soni, would you go through the features and tell me why you don't think those features are distinctive.

A What is very – excuse me – typical to a fanny pack which these two have is the contoured shape to the body as you wear it at your waist. The polypropylene webbing is very [p. 95] common with the SR buckle closure. A main compartment, zippered compartment opening for storage of either a water bottle or a wallet or a Walkman is very common. And traditionally trying to get as many functions out of a small piece as possible. Two to three – one, two to three extra pockets to store keys, coins, cash, license, whatever.]

Q Okay. Is there anything distinctive that you believe would identify the source of goods of either of those waist packs?

A The in my mind the only thing that was distinctive was the water bottle.

Q What about the logo?

A I think – I'm sorry. Could you repeat your question.

Q Do you think that the logos, for example, the Marlboro Adventure Team logo on the Marlboro waist pack and the Rear Gear logo on the Rear Gear waist pack would be looked at by consumers as the indication of who that product came from?

A Yes.

Q Is use of a logo or name on a product common?

MR. SONI: Objection as to the form of the question.

THE COURT: Is the use of a logo common? No. I'll allow that. You may answer.

THE WITNESS: The – excuse me – the use of a logo on a product is very common.

BY MR. SCHWARTZ:

[p. 96] * * *

Q Okay. Were you concerned that the water bottle was patented?

A Yes, I was.

Q And you determined that it was not patented; is that correct?

A Philip Morris determined that it was not patented.

Q Has anyone ever informed you that the water bottle is, in fact, patented?

A As of today?

Q Right. The water bottle, not the waist pack.

A Uh-huh.

Q The water bottle.

A The water bottle, no.

[Q And after Philip Morris told you that the water bottle was not patented and they hadn't found a patent on the waist pack either, and therefore it was okay to proceed, did you have any concerns that the water bottle was, in fact, patented?

A No, I did not.]

MR. SONI: I'll object as to the form of the question, Your Honor.

* * *

[p. 98] A At the time I was just concerned about a possible patent on the water bottle.

THE COURT: There have been a lot of questions about her – about Ms. Banks' concern about patents. I want to remind the jury again that this is not a patent infringement case. It's a case where the plaintiff claims that there's a trade dress infringement. And that depends on a lot of factors as to which I will instruct the jury at the time we submit the case to the jury.

Okay. Go ahead.

BY MR. SCHWARTZ:

Q Referring to Exhibit 11, which is one of the exhibits you were earlier questioned about.

THE COURT: I've made my twice daily speech. Go ahead.

BY MR. SCHWARTZ:

[Q Exhibit 11, please. Exhibit 11 is in the jury book. You earlier read part of paragraph 3. You didn't read the whole paragraph because you were requested to stop. Now, you had read – why don't you read the whole paragraph this time.

A Okay. "One is a fanny pack that is the exact design to the Rear Gear brand pack."

Q Okay. Could I stop you right there for a second. At that point did you have a problem – this doesn't refer to the [p. 99] water bottle, that sentence refers to the pack. Did you have a problem with making a copy of the waist pack?

A No, I did not.

Q Why not?

A Because there didn't seem to be anything distinctive – essentially different about that particular style.

Q Just so that we're clear on what you mean by distinctive. This had an arrangement of pockets; is that common?

A Very common.

Q Did it – it had zippers; is that common?

A That's very common.

Q Why?

A Otherwise – if it didn't have zippers it would be useless.

Q What's the purpose of a fanny pack or a waist pack?

A The purpose of a fanny pack or a waist pack is a little carryall. A carryall that's attached to your body, you have freedom of movement of your arms and it's a carryall to store your personal belongings.

Q So you need to have zippers for pockets?

A Absolutely.

Q What do you normally carry in the pockets? Or what normally would be carried in the pockets?

A What would normally be carried in the pockets, water bottles, Walkmans, keys, money, license, audio cassette tapes]

* * *

[p. 135] A Trading on the goodwill? I'm not sure –

Q Let me rephrase that.

A – I know what you mean. Yeah.

[Q Okay. Did you think the design of the Marlboro – of the Rear Gear was proprietary?

A Of the fanny pack, no, I did not.

Q Did you think it was just an arrangement of common elements?

A Yes.

Q Okay. And you knew there wasn't a patent on it; is that correct?

A I was advised by Philip Morris that there was not a patent.

Q Was there any reason for you to believe that Sunburst or Freestyle or Ski Tote, for that matter, had exclusive rights in the design of the Rear Gear?

A I'm sorry. Could you repeat that.

Q Did you have any reason to believe, back in May of 1992 or the ensuing several months there, when the Marlboro waist pack was being manufactured, did you have reason to believe that Ski Tote or Freestyle owned the rights to the design of the Rear Gear waist pack?

A No.]

Q Before you started having the waist pack manufactured or copied, the Marlboro waist pack being manufactured, did Cyrk

* * *

[p. 43] SHLOPAK – CROSS

* * *

THE COURT: Whoa, whoa. I think you've answered the question. Go ahead.

BY MR. SCHWARTZ:

Q Okay. What was the business of the Louis Gregory Company?

A After the first two years, primarily making sports bags.

Q And you were involved in the making of the sports bags?

A Yes.

Q How were you involved?

A Well, I used the same network that I had prevailed in in the printed apparel business to secure sporting goods companies like a Wilson Sporting Goods or a Reebok to go out and design and manufacture and source sports bags.

Q Did these sports bags include what we've been calling waist packs or fanny packs?

A Yes, they did; especially in the ski industry which was probably our first target in the sports bag business. They required a lot of waist packs. That's probably where waist packs started was in the ski industry; one of the areas.

[Q Now, I'm not going to ask you to look through Exhibit 9 again. But to your knowledge, are those items –

the luggage [p. 44] and the waist packs shown in there, were they on sale in 1992?

A The ones that I had looked through, if my memory serves me, they were probably on sale before 1992. Most of those were during the '80's. That's when we started the manufacturing of those waist packs.

Q So those would not reflect what was in the market in the United States in 1992?

A Right.

THE COURT: Well, wait a minute. He hasn't said they weren't being sold in '92. Had the sale of those ceased by '92?

THE WITNESS: I would think so. Usually it's a fairly you know, you make a design last in the marketplace for a couple of years. So most of those waist packs that we were looking at were probably sold between the years of 1983 and 1988.]

BY MR. SCHWARTZ:

Q Okay. Did you have any other experience with any other company that dealt in the manufacture or distribution of waist packs?

A I don't think so.

[Q Okay. So before that meeting in May of 1992 with Philip Morris, you had many years experience both with Cyrk and Louis Gregory with the manufacture and distribution and design of waist packs; is that correct?

[p. 45] A We had a lot of experience in waist packs.

Q Okay. So you were shown at that first meeting a design of a waist pack that had been produced by the Design Factory.

A Yes.

Q Did you think that design was distinctive?

A Not at all.

Q Why not?

A Well, it actually looked fairly regular or fairly normal. I mean, it had the typical, you know, one-zipper compartment at the top of the bag. It had the same general waist pack shape and strap and so forth that you always see. It had the you know, a couple of small side pockets on the bag that would be used for, you know, smaller items. Almost every fanny pack is designed with one large main compartment and a number of smaller compartments depending on the cost or price – you know, what was available,

Q Had you previously seen a waist pack that had multiple pockets in it?

A Many, many times.

Q Did you ever see a waist pack that had a large pocket and below which there were multiple smaller pockets?

A Yes.

Q And were these waist packs sold in the United States to your knowledge?

A Yes.]

* * *

[p. 87] POLETTI – DIRECT

* * *

BY MR. SONI:

Q During the course of your duties, sir, do you have occasion to attend trade shows?

A Yes, sir.

Q Do you visit retailers?

A Yes, sir.

[Q Are you familiar with the Marlboro Adventure Team program?

A Yes, I am.

Q How did you first becomes familiar with that?

A A representative of mine approached me at a trade show and asked me directly if we had manufactured the waist pack for Marlboro.

Q Did the representative indicate why – was it a he or a she?

A It was a he.

Q Was there any indication of why they believed that you might have manufactured it?

MR. SCHWARTZ: Objection; hearsay.

[p. 88] MR. SONI: Not for the truth of the matter, Your Honor.

THE COURT: No, overruled. You may answer.

THE WITNESS: Could you repeat the question, please?

BY MR. SONI:

Q Was there any indication of why they believed that you – your company would have manufactured the Marlboro Adventure Team program waist packs?

A Well, he mentioned the fact that the product looked exactly like ours.

Q Did you provide a response to that inquiry?

A I told him we had not manufactured that product.]

MR. SONI: I have no further questions.

THE COURT: All right. Mr. Schwartz?

CROSS EXAMINATION

BY MR. SCHWARTZ:

Q Mr. Poletti, have you ever had any contact with Cyrk directly?

A No, I have not.

Q Are you familiar with its business?

A Yes, I am.

Q How are you familiar with its business?

A We have some representatives who also represent the Cyrk line of products.

Q These are not exclusive representatives of yours then.

* * *

* * *

questions called interrogatories must be answered under oath, and they're evidence just like any other evidence in the trial.

Go ahead and read the question and answer.

MR. SCHWARTZ: Interrogatory Number [1: "State the first date on which the Rear Gear was first offered for sale." Response to Interrogatory Number 1: "Rear Gear has been defined to mean the waist pouch identified in the complaint which is the subject of the 471 patent."]

THE COURT: Pick it up on line 15 where plaintiff answers.

MR. SCHWARTZ: Okay. Skipping the objection, "Plaintiff answers that the first sale or offer of sale occurred on or about February 1990 and within one year prior to its filing of an application for a design patent in September 1990."

BY MR. SCHWARTZ:

Q As just read as part of the evidence, the Rear Gear has been defined to mean – defined by you to mean the design shown in the 471 patent; is that not correct?

MR. SONI: Objection, Your Honor; mischaracterizes the answer.

THE COURT: Well, this is the answer of the corporation as I understand it.

MR. SCHWARTZ: Of the corporation; of the plaintiff.

[p. 114] MR. SONI: Your Honor –

THE COURT: Okay. I think that's the clarification that you wanted, Mr. Soni?

MR. SONI: No, Your Honor. It goes beyond that. There are definitions to which these interrogatory responses were referring. They were definitions which were included in the request that was made and in the answer that was given. None of that has been read into the record, and I don't think it's a fair question.

THE COURT: Tell you what, if it's material – I say if it's material, then later on you read the other stuff. Go ahead. Let's move on.

BY MR. SCHWARTZ:

[Q Was the water bottle part of the 471 patent?

A That was granted?

Q Yes.

A No.

Q So that by this definition of the waist pouch being identified in the complaint which is the subject of the 471 patent, it would not include the water bottle; would it?

A I guess that's correct. We did – when we made the application for the patent, it included the water bottle.

Q But the issued 471 patent did not include the water bottle.

A That's correct.]

* * *

Supreme Court, U.S.
FILED
MAR 27 1997
OFFICE OF THE CLERK

No. 96-1295

IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,

vs.

CYRK INTERNATIONAL PROSPEROUS ENTERPRISES
(Taiwan Ltd.), EVER WIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,
Respondents.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY BRIEF

SURJIT P. SONI
Counsel of Record
ROBERT J. ROSE
SHELDON & MAK, INC.
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 796-4000
Attorneys for Petitioner

Lawyers Brief Service • Appellate Brief Printers • (213) 613-1013 • (714) 720-1510

No. 96-1295

IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,

vs.

CYRK INTERNATIONAL PROSPEROUS ENTERPRISES
(Taiwan Ltd.), EVER WIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,
Respondents.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY BRIEF

SURJIT P. SONI
Counsel of Record
ROBERT J. ROSE
SHELDON & MAK, INC.
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 796-4000
Attorneys for Petitioner

TABLE OF CONTENTS

Page(s)

INTRODUCTION 1

RESPONDENT'S MISREPRESENTATIONS OF THE RECORD AND FALSE CHARGES AGAINST PETITIONER 2

THE FEDERAL CIRCUIT DID NOT APPLY THE STANDARD SET DOWN BY THIS COURT 3

THE SPLIT AMONG THE CIRCUITS IS CLEARLY APPARENT 4

THE FEDERAL CIRCUIT DID NOT SIMPLY EMPLOY AN ALTERNATIVE EVIDENTIARY STANDARD OR MISAPPLY A PROPERLY STATED RULE OF LAW 6

BOTH THE PETITION AND THE BRIEF IN OPPOSITION DEMONSTRATE THAT THE FEDERAL CIRCUIT FAILED TO FOLLOW WELL-ESTABLISHED STANDARDS OF JUDICIAL REVIEW 8

CONCLUSION 10

TABLE OF AUTHORITIES

Cases

Page(s)

Abercrombie & Fitch Co. v. Hunting World, Inc.,
537 F.2d 4 (2nd Cir. 1976) 4

AmBrit, Inc. v. Kraft, Inc.,
812 F.2d 1531 (11th Cir. 1986) 4, 5

Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.,
40 F.3d 1431 (3rd Cir. 1994) ..... 3 - 6

Imagineering, Inc. v. Van Klassens, Inc.,
53 F.3d 1260 (Fed. Cir. 1995) 7, 9

*INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*,
95 F.3d 663 (8th Cir. 1996) 5

Knitwaves, Inc. v. Lolloytogs, Ltd. (Inc.),
71 F.3d 996 (2nd Cir. 1995) ..... 4 - 6

Krueger Int'l, Inc. v. Nightingale, Inc.,
915 F.Supp. 595 (S.D.N.Y. 1996) 6

Los Angeles Memorial Coliseum Commission v. National Football League et al.,
791 F.2d 1356 (9th Cir. 1986) 10

Qualitex Company v. Jacobson Products Co., Ltd.
___ U.S. ___, 115 S.Ct. 1300 (1995) 4

Seabrook Foods, Inc. v. Bar-Well Foods Ltd.,
568 F.2d 1342 (CCPA 1977) 3, 5, 8

Stuart Hall Co., Inc. v. Ampad Corp.,
51 F.3d 780 (8th Cir. 1995) 4, 6

Summer v. Mata,
449 U.S. 539 (1981) 7

Thomas & Betts Corp. v. Panduit Corp.,
65 F.3d (7th Cir. 1995) 5, 6

Two Pesos, Inc. v. Taco Cabana, Inc.,
505 U.S. 763 (1992) ..... 3 - 7

Vornado Air Systems v. Duracraft Corp.,
58 F.3d 1498 (10th Cir. 1995) 6

Other Authority

Restatement of Torts 3rd. 3

G. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*,
75 N.C.L. REV. 471 (1997).. 4

INTRODUCTION

The issues at this stage of the proceedings are merely whether there is a conflict among the circuits which needs to be resolved, and whether the Federal Circuit has deviated so far from established jurisprudential standards, by either failing to follow established precedent or by failing to afford appropriate deference to a jury's findings of facts, as to warrant the exercise of this Court's supervisory powers.

The conflict among the circuits is so clearly apparent that this petition for writ of certiorari should be granted. The efforts made by Respondent to sweep this conflict under the carpet by construing it as a mere disagreement over the evidentiary standards is both misleading and untruthful.

The Brief in Opposition illustrates how the Federal Circuit failed to follow the usual course of judicial proceedings in reversing the trial court in this case. Respondent acknowledges the vast variety of evidence which was presented at trial by petitioner to show that its design is inherently distinctive. The Federal Circuit's conclusion that there was "no evidence" was therefore entirely unsupported by the record.

This is neither the time nor the place to engage in a debate about the weight of the evidence before the trial court. Respondent does not serve this Court well by trying to misdirect the Court's inquiry and by grossly misstating the record.

RESPONDENT'S MISREPRESENTATIONS OF THE RECORD AND FALSE CHARGES AGAINST PETITIONER

Respondent makes statements which are directly contradicted by the very trial excerpts Respondent has included in the Brief in Opposition. These are pointed out to the Court only so that Petitioner properly complies with United States Supreme Court Rule 15.2.

At Appendix A-1 to the Brief in Opposition, Vic Yerby, the President of Sunburst, testified about the company's design team's conscious effort to avoid "me too" designs and to make the design "different looking than everyone else's," so that it would be, in Mr. Yerby's words, "uniquely ours." This testimony proves that Sunburst surveyed all other waist pack designs to develop a uniquely distinctive design.

Similarly, Respondent's unequivocal claim that all of the articles of luggage introduced into evidence at trial had "ceased being on the market years before design of Sunburst's waist pack" is not supported by similar unequivocal evidence. Indeed, the cited portions at A-15 through A-16 of the Appendix to the brief in opposition shows only that Mr. Shlopack, President of CYRK, was of the *belief* that these products *may* have ceased to have been sold. There was no proof that those designs were not still on sale at the time of Sunburst's introduction. CYRK had the opportunity to come forward with evidence of any designs that it believed were similar to Sunburst's design to show that Petitioner's design was not inherently distinctive. CYRK did not carry that burden and the jury was entitled to draw an adverse inference against CYRK for failing to introduce the evidence.

Contrary to CYRK's contention, Sunburst did present excerpts from sports magazines into evidence at trial as Exhibits 7 and 8 admitted on August 2, 1994. (See Joint Appendix, A244-254, A1200-1273). These magazines were referred to in the record and in the briefs before the Federal Circuit. (See p.9, Appellant's Opening Brief). CYRK's contention that the evidence was not presented is disingenuous and dishonest.

CYRK admitted copying Sunburst's products contending that it did not believe the waist pack to be unique at the time it copied. CYRK has previously admitted that the bottle design included in the waist pack was unique. Sunburst showed that the inclusion of this admittedly unique component to the trade dress rendered the entire trade dress unique. CYRK made the same arguments about reliance on patent counsel's advice on the absence of a patent before the jury in the trial court, as well as in the Court of Appeals. In all instances, it was clear that patent counsel did not conduct a trade dress analysis with respect to the Sunburst's product and that CYRK's personnel had no legal training in trade dress analysis. Whatever weight may be given to evidence of intentional copying, such evidence was before the Court.

THE FEDERAL CIRCUIT DID NOT APPLY THE STANDARD SET DOWN BY THIS COURT

It is true that the parties agreed upon the standard to be applied in this case. The standard was that set forth in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753 (1992) for the protectability of trade dress and that set forth by *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344 (CCPA 1977) for determining whether a trade dress is inherently distinctive. The jury in the trial court applied this standard. The Federal Circuit did not.

The Federal Circuit properly stated the *Two Pesos* and *Seabrook* standards, but also articulated the standards of *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.*, 40 F.3d 1431, 1448 (3rd Cir. 1994), and the Third Restatement of Torts. Ultimately, the Federal Circuit turned the standard of *Two Pesos* on its head and improperly required proof of association as a condition of protection.

THE SPLIT AMONG THE CIRCUITS IS CLEARLY APPARENT

Contrary to CYRK's contentions, there is a split among the circuits on the standard to be applied in determining whether a product configuration is inherently distinctive.[1] A resolution of this split among the circuits is necessary and determination of the correct legal standard is required to decide whether the Federal Circuit committed error.

CYRK contends that all courts are properly extending protection to inherently distinctive designs. CYRK is wrong. The Second, Third, Fourth and Seventh Circuits, and now the Federal Circuit, are requiring proof of secondary meaning and/or are imposing other restrictions, before extending protection to inherently distinctive designs. These circuits are not applying *Two Pesos*.

Some courts have stated that, notwithstanding *Two Pesos* and *Qualitex Company v. Jacobson Products Co., Ltd.*, 115 S.Ct. 1300 (1995), product configurations cannot be or are unlikely to be inherently distinctive. See *Duraco* and *Knitwaves, Inc. v. Lolloytogs, Ltd. (Inc.)*, 71 F.3d 996 (2nd Cir. 1995).

Some courts have followed *Two Pesos* and the *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2nd Cir. 1976) tests that inquire into whether the design is merely descriptive and therefore not inherently distinctive, or whether it is not merely descriptive of the product, and therefore is inherently distinctive. *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995)

Other courts, most notably in the Eighth and Eleventh Circuits, apply the *Seabrook* standard, which looks to the market to determine

---

[1]The split amongst the circuits is so pronounced in fact that Prof. Graeme B. Dinwoodie has published a 135-page law review article discussing the various conflicting standards applied by the Circuits. Prof. Dinwoodie concludes that the Second and Third Circuits are engaged in "blatant efforts at revisionism" and are employing tests which are irrelevant to the distinctiveness question. G. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C.L. REV. 471 (1997).

if the design claimed is unique and unusual, not common or basic to such products as a test of whether the design is merely descriptive. *INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*, 95 F.3d 663 (8th Cir. 1996) and *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986).

A fourth set of courts, led by the Third Circuit, requires the additional proofs of "memorability," "conceptual separability" and "primary function as a trademark" over the *Seabrook* requirement of "uniqueness." *Duraco,*[2] *Knitwaves* and *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d (7th Cir. 1995).

The Federal Circuit properly articulated the standards of *Seabrook*, but did not apply it. The Federal Circuit reversed, claiming that there was no evidence to satisfy the *Seabrook* factors but, in this same brief decision admitted that there was evidence of uniqueness, unusualness, and implicitly therefore, evidence that the design is not a common basic shape of design.[3]

The Federal Circuits' ultimate determination of this case turned on a belief that Sunburst was required to prove that the unique design at issue was actually distinctive. In so doing, the Federal Circuit appears to have followed *Duraco,* which it also cited, which held that trade dress, to be inherently distinctive, must intrinsically function as a source identifier. This statement is contrary to this Court's holding in *Two Pesos*, that trade dress is capable of functioning as a source identifier if it is inherently distinctive. This is no minor distinction, nor is it a mere difference in evidentiary standards.

---

[2]The Third Circuit test is untenable because "memorability" and "primary function as a trademark" are tests which are only capable of being applied after the mark has been in use and not at its onset. Therefore, memorability and primary function analyses are like secondary meaning analyses.

[3]The Court also noted that there was no evidence on the remaining factor set forth by *Seabrook*, namely, whether the design was a mere refinement of commonly adopted and well-known forms of ornamentation for products of that type. The designs presented constituted evidence on this issue. If there was an absence of evidence on this final factor of the *Seabrook* test, the lack of evidence supports, rather than detracts from Sunburst's proof of inherent distinctiveness.

This Court has held that no proof of source association is necessary if the design is inherently distinctive, yet the Second, Third, Seventh, Tenth and Federal Circuits are requiring proof that the trade dress "intrinsically functions as a source identifier" as a pre-condition to recognizing that it is inherently distinctive. *Knitwaves*, *Duraco*, *Thomas & Betts* and *Vornado Air Systems v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995). The Eighth Circuit and certain district courts in the Second Circuit recognize the fallacy of this circular standard which can only be satisfied by proof of actual source association. *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (9th Cir. 1995) and *see, e.g., Krueger Int'l, Inc. v. Nightingale, Inc.*, 915 F.Supp. 595 (S.D.N.Y. 1996).

THE FEDERAL CIRCUIT DID NOT SIMPLY EMPLOY AN ALTERNATIVE EVIDENTIARY STANDARD OR MISAPPLY A PROPERLY STATED RULE OF LAW

The Federal Circuit did not merely misapply a "properly stated rule of law." The Federal Circuit applied a rule of law in direct conflict with this Court's decision in *Two Pesos*. The Federal Circuit misquoted *Two Pesos*, just as the Second and Third Circuits have, when it stated, "What is necessary is that the design must intrinsically identify the particular source of the products." *Two Pesos* in fact stated, "If it [the trade dress] is [inherently distinctive], it is capable of identifying products or services as coming from a specific source and secondary meaning is not required." 505 U.S. at 773, 112 S.Ct. at 2760. The Federal Circuit's misconstruction of *Two Pesos* engrafts the requirement of the proof of secondary meaning as a condition of protection for inherently distinctive designs.

The Federal Circuit's standard for inherently distinctive trade dress is higher than the standard for protection of trademarks generally. This Court has held that the test for protection of trade dress is the same as the test for protection of trademarks. *Two Pesos*.

Nor did the Federal Circuit merely employ an alternative evidentiary standard. The so-called alternative evidentiary standard

applied in this case is inconsistent with the proper rule of law. The Federal Circuit's decision shows that it wrongly concluded, "evidence of 'unique and unusual' design or features is not 'linked' or probative of 'identification of source.'" The Federal Circuit also wrongly and inconsistently claimed that the testimony of employees and of the trade is not an indication of probative source identification and is not representative of consumers in this case. *See Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260 (Fed. Cir. 1995) (employee and industry testimony of uniqueness was sufficient to support a jury verdict of inherent distinctiveness).

While it is true that the Supreme Court does not typically review evidentiary or factual issues, the Supreme Court will review cases with "significant policy implications." *See Summer v. Mata*, 449 U.S. 539 (1981). Even if this case is construed as only an evidentiary disagreement, and it should not, this case involves significant policy implications. As noted in the petition, over 570 cases since this Court's decision in *Two Pesos* in some manner reference trade dress. Every trade dress case involves the question of protectibility of the trade dress and, in most cases, the trade dress is claimed to be inherently distinctive. This case involves the question of the standard to be applied for evaluating inherently distinctive trade dress.

This Court's consideration and decision in this case will provide much needed guidance to courts and parties throughout the land on what evidence is necessary and what proofs are adequate to prove inherent distinctiveness.

This Court now must resolve the real and vocal conflict between the circuits. This Court must decide whether, as a condition of protection, (a) it is necessary to prove that a unique, uncommon and unusual design actually or intrinsically serves as a source identifier; (b) it is necessary to prove that a unique, uncommon and unusual design serves primarily as a trademark; (c) it is necessary to prove that a design is memorable; (d) it is necessary to prove that a design is conceptually separable from the product; and (e) whether employee and industry testimony is probative of inherent distinctiveness.

BOTH THE PETITION AND THE BRIEF IN OPPOSITION DEMONSTRATE THAT THE FEDERAL CIRCUIT FAILED TO FOLLOW WELL-ESTABLISHED STANDARDS OF JUDICIAL REVIEW

Respondent makes great efforts to cast this case as involving no more than a disagreement about the weight of the evidence. The effort is visibly transparent and, in fact, serves to illustrate how far the Federal Circuit deviated from the usual course of judicial proceedings in holding that there was "*no* evidence presented in support of the *Seabrook* factors." (Emphasis added)

As shown in the Petition and as repeatedly referred to by the Brief in Opposition, Sunburst introduced at trial hundreds of luggage designs, all of which were admittedly in the marketplace prior to the introduction of the Rear Gear® waist pack. Respondent does not challenge that these designs were in existence prior to the introduction of the Rear Gear® waist pack, and CYRK provided no evidence to unequivocally establish that these designs were not in the marketplace at the time of Sunburst's product's introduction. CYRK's challenge is misguided. The inquiry about uniqueness relates to all designs previously known. Therefore, the designs introduced by Sunburst were relevant to consideration of uniqueness. CYRK could have and should have come forward with evidence of any other designs similar to the Sunburst design relevant to the jury's consideration.

Similarly, the Federal Circuit apparently did not recognize that Sunburst's design patent over the waist pack is evidence relevant to an inherent distinctiveness determination. A design patent is evidence of novelty and unobviousness of the design relative to all other known designs, and therefore is evidence of uniqueness, an element of the *Seabrook* standard.

Evidence of Sunburst's sales representatives' comments is also evidence of source association of other designs. CYRK forgets to mention that it waived any hearsay objections by failing to object. The evidence therefore was properly before the Court and was never stricken. The jury could and indeed did consider the evidence as probative of source association since the sales representatives

inquired whether the copy of the Sunburst waist pack, bearing only the Marlboro® logo, came from Sunburst. This is a very strong indication that the waist pack design served as a source indicator at least to employees and members of the trade. As the Federal Circuit has held in *Imagineering*, the testimony of employees of the trade is probative of source association.

CYRK's admission of copying is also evidence of distinctiveness. In this case, CYRK claimed justification to copy, in that its experienced personnel did not believe the design to be unique and its patent counsel found no reason not to copy it. However, patent counsel did not conduct a trade dress analysis and CYRK's own personnel had no knowledge or training of trade dress. These facts were both established in the record.

CYRK's acknowledgment that the kidney-shaped bottle, which was part of the trade dress, was distinctive, is evidence of the distinctiveness of the trade dress as a whole. CYRK now claims the bottle was not part of the this trade dress, but CYRK has never been able to explain to the jury, the trial court or the Court of Appeals what gives CYRK the right to define Sunburst's trade dress.

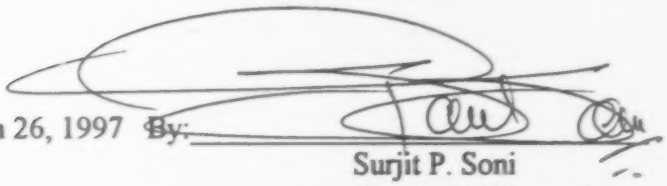
As shown above, the Federal Circuit's statements that evidence of the uniqueness of Sunburst's design is not probative of inherent distinctiveness is completely out of line with the law. It is therefore clear that the Federal Circuit far exceeded its province in concluding that there was no evidence in support of the jury's finding of inherent distinctiveness and in substituting its judgment over the judgment of the jury as to the weight of the evidence. The exercise of this Court's supervisory powers are therefore necessary.

As articulated by the Ninth Circuit, "viewing the evidence as a whole, and in the light most favorable to the non-moving party," substantial evidence supports the jury's verdict and any contrary conclusion is an unreasonable conclusion. *See Los Angeles Memorial Coliseum Commission v. National Football League et al.*, 791 F.2d 1356, 1360 (9th Cir. 1986). The Federal Circuit improperly ignored and weighed the evidence to impose a result it found preferable to the jury's verdict. Grant of this Petition will allow correction of this error.

CONCLUSION

This Petition should be granted to resolve the conflict amongst the Circuits and to correct the errors of the Federal Circuit in this case.

Respectfully submitted,
SHELDON & MAK



Dated: March 26, 1997 By:

Surjit P. Soni
Counsel of Record
Robert J. Rose
SHELDON & MAK
225 S. Lake Avenue, 9th Flr.,
Pasadena, California 91101
(818) 796-4000
Attorneys for Petitioner
SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.